# ANNUAL FINANCIAL REPORT

# 2022

For the year 2022
(1/1/2022-31/12/2022)

LOULIS FOOD INGREDIENTS S.A.
G.E.MI. (General commercial register)
No: 50675444000
(formerly S.A. register
No: 10344/06/B/86/131)
Loulis Port, 370 08, Sourpi Magnesia

**www.loulis.com**

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# Statements Of Representatives Of The Board Of Directors
# (Pursuant to article 4, par. 2 of Law 3556/2007)

The herein below members of the Board of Directors of LOULIS FOOD INGREDIENTS SA:

**1.** Mr Nikolaos K. Loulis - Chairman of the Board of Directors

**2.** Mrs Elisavet S. Kapelanou – Alexandri - Vice Chairman of the Board of Directors

**3.** Mr Nikolaos S. Fotopoulos - CEO

specifically appointed as per today's decision **(26 April 2023)** of the Company's Board of Directors

DO HEREBY DECLARE THAT

To the best of our knowledge:

**a.** The attached Annual Financial Statements for the Company and the Group, which have been prepared in accordance with the applicable Accounting Standards, fairly represent the assets and liabilities, the equity and operating results for LOULIS FOOD INGREDIENTS SA, as well as of the companies included in the consolidation as a whole and
**b.** The Annual Report of the Board of Directors fairly represents the development, performance and position of LOULIS FOOD INGREDIENTS SA, as well as of the consolidated companies as a whole, including of the description of the main risks and uncertainties they face.

| The Chairman of the BoD | The Vice Chairman of the BoD | The CEO |
|---|---|---|
| Nikolaos K. Loulis | Elisavet S. Kapelanou – Alexandri | Nikolaos S. Fotopoulos |

**Annual Report Of The Board Of Directors**
**Of LOULIS FOOD INGREDIENTS SA**
**on the financial statements for the fiscal year from**
**1st January 2022 to 31st December 2022**

This report of the Board of Directors of LOULIS FOOD INGREDIENTS SA (hereinafter referred to as the "Company") has been prepared in accordance with the current legislation and the applicable provisions of the Hellenic Capital Market Commission and is referred to the Annual Financial Statements (Consolidated and Separate) of December 31, 2022 and for the year then ended. The LOULIS FOOD INGREDIENTS Group (hereinafter the "Group"), besides the Company, includes subsidiaries which the Company directly or indirectly controls. The Consolidated and Separate Financial Statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

This report includes the financial review from January 01, 2022 to December 31, 2022, the significant events that took place in 2022, the expected growth and development, the description of the most significant risks and uncertainties for next year, the Corporate Governance Statement, the Group's and Company's significant transactions with their related parties, the most important facts that have been occurred until the date of the preparation of the financial statements as well as any other additional information required by the relevant legislation.

## A. Financial Review 2022

The Group's **Turnover** (Sales) for 2022 amounted to € 197,91 million, increased by 46,70% compared to € 134,91 million in 2021. At the same time, the Company's turnover amounted to € 173,30 million compared to € 119,72 million in the previous year, having increased by 44,75%.

Regarding the **Sales per Segment**, a significant decrease was recorded in the sold quantities of the category "Flour mill consumer products & Mixtures for Bakery and Pastry" both in the Group and the Company, which accounted for the current year to 21,2 thousand tonnes compared to 22,4 thousand tonnes in the previous year. On the contrary, the Sales of that category increased significantly in 2022 by 19,89% for the Group and 19,83% for the Company compared to the previous year. The sold quantities of "Flour mill business products" in the current year for the Group, amounted to 248,7 thousand tonnes, having increased by 3,12% compared to the prior year whereas similarly the sold quantities of "Flour mill business products" for the Company amounted to 220,0 thousand tonnes, having increased by 1,99% compared to the prior year. Therefore, the sales of this segment in 2022 amounted to € 135,03 million for the Group and € 121,74 million for the Company, having recorded a significant increase of 48,64% and 46,06% respectively, compared to the prior year. The sales of "Mixtures & Raw Materials for Bakery and Pastry", for 2022, performed total sales to third parties of € 11,30 million compared to € 7,98 million in the previous year, having significantly increased by 41,67%. The increase in the sales of the aforementioned categories was due to the rise of the selling-price of that category within 2022 in order to offset the unprecedented rise in the price of raw materials and the

energy cost in the production. Lastly, the sold quantities of the category "Cereals" for the Group and the Company for 2022 amounted to 69,8 thousand tonnes having increased by 4,44% compared to the previous year. Sales of "Cereals" to third parties, for 2022, amounted to € 34,56 million for the Group and € 34,37 for the Company, showing a significant increase compared to € 21,85 million for the Group and € 21,76 million for the Company in 2021. That significant increase in the sales of "Cereals" was due to the unprecedented rise in the purchase price of cereals for the period 2021-2022 locally and internationally as mentioned above.

The Group's **Cost of Sales** for 2022 amounted to € 169,97 million compared to € 115,39 million in 2021, increased by 47,30%. At the same time, the Company's cost of sales amounted to € 150,29 million compared to € 102,64 million for 2021, having increased by 46,42%.

That increase in the cost of sales is due to a) the significant and ongoing rise in the price of key categories of raw materials in the local and international market, b) the significant increase of transportation cost and particularly of the fares of container-transportation for bulk raw materials and c) the significant rise of energy cost.

Accordingly, the **Gross Profit** for 2022 amounted to € 27,94 million for the Group and € 23,01 million for the Company, increased by 43,13% compared to € 19,52 million in 2021 for the Group and increased by 34,74% compared to € 17,08 million in the previous year for the Company. While, the ratio of cost of sales to sales, for 2021, from 14,47% for the Group and 14,27% for the Company, decreased, in 2022, to 14,12%, for the Group and 13,28% for the Company. That decrease of the Gross Profit is due to the continuously increasing cost of sales in the first half of 2022 despite increase in selling-prices from the first quarter of 2022 onwards.

The Group's **Administrative Expenses and Distribution Expenses** amounted for 2022 to € 25,18 million increased by 25,71% compared to the previous year which was € 20,03 million, while they decreased as a percentage to sales since in the previous year they represented 14,85%% of sales compared to 2022 when they represent 12,72%. Respectively, the Company's administrative expenses and distribution costs amounted to € 20,94 million for the current year increased by 21,32% compared to € 17,26 million for the previous year, while the Company's ratio of administrative expenses and distribution costs to sales decreased to 12,08% for 2022 compared to 14,42% for 2021. In particular, the Group's Distribution Costs, as a percentage to total sales decreased, since in 2021 they represented 10,39% of sales compared to 8,44% for the current year whereas the Administrative Expenses amounted to € 8,47 million for 2022 having increased by 40,93% compared to the previous year. Similarly, the Company's Distribution Costs, as a percentage to total sales decreased, since in 2021 they represented 9,98% of sales compared to 7,87% for the current year, whereas the Administrative Expenses amounted to € 7,29 million for 2022 having increased by 37,03% compared to the previous year.

The Group's **Financial Expenses** amounted to € 2,46 million for 2022 having increased by 49,09% compared to the previous year when they amounted to € 1,65 million, while they also increased as a percentage to sales from 1,22% to 1,24%. Accordingly, the financial expenses of the Company amounted to € 2,21 million for the current year, having increased by 56,74% compared to the respective year of 2021, while as a percentage to sales they increased from 1,18% to 1,28%. The increase of the financial expenses for the Group and the Company for 2022 is due to the Company's increased needs in working-capital compared to the previous year as well as the Euribor's increase in the first quarter of 2022 and beyond.

The Total **Depreciation** for 2022 for the Group amounted to € 5,24 million and € 4,71 million for the Company, compared to € 5,20 million for the Group and € 4,70 million for the Company for the prior year, having increased by 0,77% for the Group and 0,25% for the Company. As a percentage to sales, total depreciation decreased from 3,85% to 2,65% for the Group and from 3,92% in 2021 to 2,72% for the current year for the Company.

**Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA)**[1] for 2022 amounted to € 12,15 million for the Group and € 10,06 million for the Company, increased by 54,78% from € 7,85 million in 2021 for the Group and increased by 40,50% from € 7,16 million in 2021 for the Company. While as a percentage of sales from 5,82% and 5,98% in 2021 for the Group and Company respectively, they increased to 6,14% in 2022 for the Group and decreased to 5,80% in 2022 for the Company.

Taking into account all the above, the Group's **Net Profit before Tax** increased significantly to € 2,44 million for the current year compared to € 0,81 million for the prior year . As a percentage to sales it increased from 0,60% in 2021 to 1,23% in 2022.

Respectively, for the Company the **Net Profit before Tax** amounted to € 1,28 million for 2022 compared to € 0,90 million in the previous year, increased by 42,22%. As a percentage to sales, it decreased from 0,75% in 2021 to 0,74% in 2022.

**Income tax** amounted to € -0,59 million for the Group in 2022 from € 0,39 million for the previous year and respectively for the Company from € 0,40 million to € -0,72 million. That significant change in the income tax is due to the high profitability for 2022 and the effect of the decrease of the Corporate Income Tax Rate from 24% to 22% on the basis of the Deferred Tax Assets and Liabilities occurred in the previous year.

Following the above, the Group's **Net Profit after Tax** amounted to € 1,84 million for the current year (distributed to the Company's shareholders) compared to € 1,19 million in the previous year and as a percentage to sales it amounted to 0,93% in 2022 from 0,88% in 2021. Similarly, the Company's net profit after tax amounted to € 0,56 million in 2022 compared to € 1,30 million in the previous year and as a percentage to sales it amounted from 1,09% in 2021 to 0,32% in 2022.

For the year 2022, the **Operating cash flows** for the Group and the Company amounted to € -8,20 million and € -5,97 million respectively, while in the previous year it amounted to € -0,93 million for the Group and € -3,05 million for the Company.

The **Purchases of Tangible and Intangible Assets** for the Group and the Company in 2022 amounted to € 4,91 million and to € 3,25 respectively from € 4,02 million and to € 1,76 in 2021.

The Group's **Total Net Borrowing**[1] at December 31, 2022 amounted to € 67,59 million compared to € 52,17 million at December 31, 2021, showing an increase of 29,56%, while the Company's total net borrowing at December 31, 2022 amounted to € 57,45 million compared to € 45,99 million at December 31, 2021, having increased by 24,92%. That rise in the net borrowing for 2022 is due to the increased needs in working-capital of the Group and the Company compared to the previous year.

In summary, the financial results of the Group and the Company are depicted through some key financial ratios and are compared to the objectives set by the Company's management, based on the size of the company, the sector in which it operates, the conditions prevailing in the market and the average figures of the sector where the data are available, as follows:

**Group's Basic Ratios**

| | | 01.01.2022 - 31.12.2022 | | 01.01.2021 - 31.12.2021 | | 01.01.2020 - 31.12.2020 | |
|---|---|---|---|---|---|---|---|
| 1 | **Total net Borrowing[1] / EBITDA[1]** | 67.590.843 / 12.153.268 | 5,56 | 52.171.249 / 7.850.552 | 6,65 | 45.389.727 / 9.250.683 | 4,91 |
| 2 | **EBITDA[1] / Interest Paid** | 12.153.268 / 2.393.288 | 5,08 | 7.850.552 / 1.563.071 | 5,02 | 9.250.683 / 2.282.728 | 4,05 |
| 3 | **Non-Current Assets / Total Net Borrowing[1]** | 112.341.587 / 67.590.843 | 1,66 | 108.806.696 / 52.171.249 | 2,09 | 106.019.979 / 45.389.727 | 2,34 |
| 4 | **Total Net Borrowing[1] / Total Equity** | 67.590.843 / 97.547.025 | 0,69 | 52.171.249 / 93.181.239 | 0,56 | 45.389.727 / 91.465.588 | 0,50 |
| 5 | **Total Current Assets / Total Current Liabilities** | 110.526.876 / 49.506.217 | 2,23 | 87.793.616 / 41.558.673 | 2,11 | 72.199.265 / 17.336.229 | 4,16 |
| 6 | **Total Liabilities / Total Equity** | 125.321.438 / 97.547.025 | 1,28 | 103.419.073 / 93.181.239 | 1,11 | 86.753.656 / 91.465.588 | 0,95 |

**Company's Basic Ratios**

| | | 01.01.2022 - 31.12.2022 | | 01.01.2021 - 31.12.2021 | | 01.01.2020 - 31.12.2020 | |
|---|---|---|---|---|---|---|---|
| 1 | **Total Net Borrowing[1] / EBITDA[1]** | 57.449.147 / 10.055.606 | 5,71 | 45.990.651 / 7.157.266 | 6,43 | 39.416.863 / 8.959.172 | 4,40 |
| 2 | **EBITDA[1] / Interest Paid** | 10.055.606 / 2.168.007 | 4,64 | 7.157.266 / 1.339.458 | 5,34 | 8.959.172 / 1.837.921 | 4,87 |
| 3 | **Non-Current Assets / Total Net Borrowing[1]** | 109.229.050 / 57.449.147 | 1,90 | 106.318.064 / 45.990.651 | 2,31 | 107.369.077 / 39.416.863 | 2,72 |
| 4 | **Total Net Borrowing[1] / Total Equity** | 57.449.147 / 97.320.079 | 0,59 | 45.990.651 / 94.239.287 | 0,49 | 39.416.863 / 92.926.256 | 0,42 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 5 | **Total Current Assets** / **Total Current Liabilities** | 94.096.944 / 36.891.052 | 2,55 | 79.313.131 / 35.285.647 | 2,25 | 61.233.407 / 15.250.203 | 4,02 |
| 6 | **Total Liabilities** / **Total Equity** | 106.005.915 / 97.320.079 | 1,09 | 91.391.908 / 94.239.287 | 0,97 | 75.676.228 / 92.926.256 | 0,81 |

[1] *For explanations and the calculation of the indicators see section "Z. Alternative Performance Measures (APMs)".*

## B. Group's Companies and Branches

The Group and the Company own the following branches :

| Name | Head Office | Branches | % Parent's participation | Basis for the consolidation |
|---|---|---|---|---|
| LOULIS FOOD INGREDIENTS SA | Sourpi, Magnisia, Greece | Keratsini Attica, Mandra Attica, Podochori Kavala, | - | Parent |
| KENFOOD SA | Keratsini, Attica, Greece | Ampelochori Viotia, Mandra Attica, Podochori Kavala, Sourpi, Magnisia | 99,99% | Direct |
| GREEK BAKING SCHOOL SA | Keratsini, Attica, Greece | - | 99,70% | Direct |
| LOULIS LOGISTICS SERVICES SA | Sourpi, Magnisia, Greece | - | 99,68% | Direct |
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY | Keratsini, Attica, Greece | - | 20,00% | Direct |
| LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD | Nicosia, Cyprus | - | 100,00% | Direct |
| LOULIS MEL-BULGARIA EAD | General Toshevo, Bulgaria | - | 100,00% | Indirect |

## C. Significant Events in 2022

The most significant events that took place during 2022 are as follows:

**Completion of the Audit of the Investment on Sourpi according to Inv. Law 3299/2004**

On February 22, 2022, with the decision numbered 19460 of the Head of the General Directorate of Private Investments, of the Ministry of Development and Investments, the audit of the Company's investment referred to the "Modernization of the flour production unit at the Industrial Unit of Sourpi Magnesia" was completed, which was implemented in accordance with the provisions of Law 3299/2004. The total finalized subsidized cost of the investment amounts to € 4.057.160, while the amount of the grant amounts to € 1.014.290, i.e. 25% of the total subsidized cost of the investment.

**Acquisition of property, plant and equipment in Tyrnavos Thessaly.**

On March 30th 2022, the procedures for the acquisition of property and plant (land and buildings) and equipment (machinery and other equipment, vehicles, receivable from third parties) at the spot "Ammos" of the Municipal Department of Tyrnavos Thessaly (1st klm Tyrnavos-Larissa Ave) for a price of € 1,05 million, have been completed.

**Issuance of Bond Loan**

On April 13, 2022 the Company proceeded with the issuance of a bond loan of total amount of € 4,0 million of two-years duration, in order to cover its working-capital needs. The loan has been granted by National Bank of Greece SA (Program NBG Loan for Agriculture and Bioeconomy) with funds of the European Investment Bank.

**Issuance of Bond Loan**

On April 26, 2022 the Company proceeded with the issuance of a bond loan of total amount of € 4,0 million of three-years duration, in order to cover its working-capital needs. The loan has been granted by Piraeus Bank SA with funds of the European Investment Bank through Pan European Guarantee Fund (EGF).

**Issuance of Bond Loan**

On June 14, 2022 the Company proceeded with the issuance of a bond loan of total amount of € 10,0 million of three-years duration, in order to cover its working-capital needs. The loan has been granted by ALPHA BANK SA.

**Issuance of Bond Loan**

On June 16, 2022 the subsidiary of the Group "KENFOOD SA" proceeded with the issuance of a bond loan of total amount of € 2,0 million of two-years duration, in order to refinance its existing borrowing and to cover its working-capital needs. The loan has been granted by National Bank of Greece SA with the parent Company of the Group guarantee.

**Decisions of the Ordinary General Meeting of the Shareholders of the Company**

On June 22nd, 2022 the Annual General Meeting of Shareholders took place where 56,3% of the share capital was represented, which means that the shareholders and the shareholders' representatives who attended and voted represented 9.640.687 shares and 9.640.687 votes.

The Annual General Meeting of Shareholders of the Company made the following decisions on the agenda items, as those are being presented according to the vote results, which have been published also on the legally registered site of the Company to the General Commercial Registry (G.E.MI.) (https://www.loulis.com):

1. The Annual Financial Statements for the Company and the Group in accordance with the International Financial Reporting Standards, for the fiscal year 01.01.2021 to 31.12.2021 have been approved by 9.640.687 votes, equal to 56,3% of the share capital after the hearing and approval of the relative Reports of the Board of Directors and the Certified Auditors. At the same General Meeting it was decided by 9.640.687 votes, equal to 56,3% of the share capital, the distribution of dividends to shareholders of an amount of 1.027.216,80 which is equal to € 0,06 (gross) per share. A Statutory Reserve of an amount of € 70.517,97 has been formed from the year's profit. Cut-off date has been set 27th June 2022, record date has been set 28th June 2022 and payment date has been set 1st July 2022 through bank institution or Athens Exchange Group. The

Chairman of the Audit Committee submitted and presented to the shareholders the Audit Committee Annual Report of the year 2021.

2. The overall management that took place during the fiscal year ended 31.12.2021 has been approved by 9.640.687 votes, equal to 56,3% of the share capital and the Certified Auditors were discharged by 9.640.687 votes, equal to 56,3% of the share capital, from any liability for indemnity for the fiscal period 01.01.2021-31.12.2021 as well as for the Financial Statements of the same fiscal year.

3. The audit firm "BDO Auditors Accountants SA" with registration number ELTE 173 and in particular the Statutory Auditor Andriana K. Lavazou (R.N. SOEL: 45891, R.N. ELTE: 2657 and T.I.N.: 300190488) and the alternate Auditor Andreas Th. Konstantinou (R.N. SOEL: 30441, R.N. ELTE: 1439 and T.I.N.: 106872098) for the audit of the annual financial statements of the Company and the Consolidated Financial Statements in accordance with International Financial Reporting Standards for the fiscal period 01.01.2022 to 31.12.2022, were elected by 9.640.687, equal to 56,3% of the share capital.

4. The Remuneration Report for the year 2021 has been discussed and approved, on a consultative basis, by 9.640.687 votes, equal to 56,3% of the share capital.

5. Unanimously approved, by a vote of 9.640.687, ie 56,3% of the share capital, an advance payment remunerations to the members of the Board of Directors of the Company for the financial year 2022, total amount up to € 200.000,00. Unanimously approved, by a vote of 9.640.687, ie 56,3% of the share capital, the advance payment of remuneration to the members of the Board of Directors and the Audit Committee during the financial year 2021 (1.1.2021–31.12.2021) total amount of € 133.500,00.

6.Following the May 25th 2022 written (positive) proposal of the Company's Remuneration and Nomination Committee and the relevant June 1st 2022 recommendation of the Company's Board of Directors, it was unanimously approved, by a vote of 9.640.687, ie 56,3% of the share capital, the amendment of the Suitability Policy for members of the Board of Directors of the Company, in accordance with the provisions of article 3 of L.4706/2020 and the guidelines of the Hellenic Capital Market Commission, as analyzed in particular in number 60 / 18.09. 2020 Circular thereof, as well as the Greek Code of Corporate Governance (EKED - issue June 2021), adopted by the Company.

7.The new Board of Directors was elected, unanimously, with 9.640.687 votes, i.e. with a percentage of 56,3% of the share capital, with a four-year term, i.e. until June 22nd 2026, which will be extended until the end of the period, within which the next Ordinary General Assembly must be convened and until the relevant decision is taken, following the recommendation of the Board of Directors from June 1, 2022, which taking into account the provisions of articles 5 and 9 of Law 4706/2020 and the policy suitability of the members of the Board of Directors, submitted to the General Assembly the relevant report of article 18 par. 1 of Law 4706/2020, following the relevant recommendation from May 25, 2022 of the Remuneration and Nominations Committee. The new Board of Directors consists of the following members and the independent non-executive members of the said Board of Directors were appointed pursuant to Law 4706/2020, as follows:

1. Nikolaos Loulis, of Konstantinos
2. Nikolaos Fotopoulos, of Spyridon

3. Spyridon Theodoropoulos of Ioannis
4. Gianluca Fabbri of Bruno
5. Konstantinos Macheras of Dimitrios, Independent Non-Executive Member
6. Elisavet Kapelanou – Alexandri of Spyridon, Independent Non-Executive Member
7. Georgios Taniskidis of Ioannis, Independent Non-Executive Member

The above independent non-executive members entirely meet the requirements of art. 9 of L.4706/2020 and therefore they are independent of the Company or any related parties.

8. By a vote of 9.640.687, ie 56,3% of the share capital, it is unanimously decided that the Audit Committee of the Company to be a three-member committee, to be an independent Joint Committee, in accordance with article 44 par. 1(a)(ab) L. 4449/2017, consisting of one (1) independent non-executive members of the Board of Directors and two (2) independent third parties, non-members of the Board of Directors and to have a four years duration, i.e. until 22/6/2026, identical to the Board of Directors' duration. The following individuals are unanimously elected, by a vote of 9.640.687, ie 56,3% of the share capital, as members of the Audit Committee, which is defined to be an independent joint committee consisting of one independent non-executive member of the BoD and two independent third parties as follows:

1. Andreas Koutoupis of Georgios, Independent third party, Non-Member of the BoD
2. Elisavet Kapelanou – Alexandri of Spyridon, Independent Non-Executive Member of the BoD
3. Konstantinos Kontochristopoulos of Anastasios. Independent third party, Non- member of the BoD

The above-mentioned decision was taken following the relevant recommendation of the Company's BoD to the Ordinary General Meeting of the Company's Shareholders with date June 1st 2022, following a relevant recommendation of the Remuneration and Nomination Committee dated May 25th 2022 and after that the composition of the Audit Committee was verified that is in accordance with the provisions of article 44 of law 4449/2017 as in force, provided that all its members have proven sufficient knowledge in the field in which the Company operates and meet all the criteria and independence requirements set by art. 9 of L. 4706/2020. Two of the members of the Audit Committee i.e. Andreas Koutoupis and Konstantinos Kontochristopoulos are proven to have sufficient knowledge and experience in auditing and accounting

9. The authorization, in accordance with Article 98 par. 1 of L.4548/2018, to both the Board of Directors' members and the Company's Directors to participate in the Board of Directors or in the Management of other related companies as those companies are defined in article 32 of Law 4308/2014 and, therefore, to conduct on behalf of the related companies actions falling within the Company's purposes, has been granted by 9.640.687votes, equal to 56,3% of the share capital.

10. Unanimously approved, by a vote of 9.640.687, ie 56,3% of the share capital, the amendment of Article 1 of the Company's Articles of Association in order the name of the Company to be "LOULIS FOOD INGREDIENTS S.A." and the distinctive title "LOULIS FOOD INGREDIENTS".

11. Unanimously approved, by a vote of 9.640.687, ie 56,3% of the share capital, the amendment of Article 2 of the Company's Articles of Association in order the Municipality of Almyros, Municipal Community of

Sourpi, Prefecture of Magnesia (Port Loulis) to be specified as the Company's registered offices. Following the above amendments, described in items 10 and 11 of the agenda, the Articles of Association are codified in a single text.

12. The report of the independent non-executive members of the Board of Directors, according to the provision of article 9 par. 5 of Law 4706/2020, was submitted to the Ordinary General Meeting of the Company's Shareholders.

**Formation of the Board of Directors in a body**

Following the election of the new BoD of the Company by the above General Meeting of the Shareholders on 22nd June 2022 and by its decision with the same date the new seven-member BoD was appointed as follows:

1. Mr. Nikolaos Loulis of Konstantinos, Chairman of the Board of Directors - Executive Member
2. Mrs. Elisavet Kapelanou – Alexandri of Spyridon, Vice - Chairman of the Board of Directors - Independent Non-Executive Member
3. Mr. Nikolaos Fotopoulos of Spyridon, Chief Executive Officer - Executive Member
4. Mr. Spyridon Theodoropoulos of Ioannis, Member of the Board of Directors, Non- Executive Member
5. Mr. Gianluca Fabbri του Bruno, Member of the Board of Directors, Non-Executive Member
6. Mr. Konstantinos Macheras of Dimitrios, Member of the Board of Directors, Independent Non-Executive Member
7. Mr. Taniskidis Georgios of Ioannis, Member of the Board of Directors, Independent Non-Executive Member

The term of the above BoD shall be four-years, i.e until 22.06.2026, which shall be extended until the expiry of the deadline, within of which the immediately following Ordinary General Meeting must convene and until taking such decision.

**Formation of the Audit Committee in a body and appointment of its Chairman**

Following the decision of the Audit Committee of the Company with date June 22nd 2022 and after its election by the Ordinary General meeting of the Shareholders of the Company on June 22nd 2022 and its appointment as independent joint committee in accordance with article 44 par. 1(a)(ab) L. 4449/2017, the new three-member committee consisting of one (1) independent non-executive members of the BoD and two (2) independent third parties non-memebers of the BoD was appointed as follows:

1. Mr. Andreas Koutoupis of Georgios, Chairman of the Audit Committee, Independent third party, Non-Member of the BoD
2. Mrs Elisavet Kapelanou – Alexandri of Spyridon, Member of the Audit Committee, Independent Non-Executive Member of the BoD
3. Mr. Konstantinos Kontochristopoulos of Anastasios. Member of the Audit Committee, Independent third party, Non- member of the BoD

The tenure of the Audit Committee which is equal with the tenure of the BoD shall be four years i.e. until 22.06.2026.

**Dividend Distribution for the year 2021**

On June 22, 2022 the Annual General Meeting of Shareholders approved the distribution of dividend to the shareholders of a total amount of € 1.027.216,80 (€ 0,06 per share) form the profit of the year 2021.

The above gross amount has been subjected to a 5% withholding tax (€ 0,003 per share) and therefore the shareholders received a net amount of € 0,057 per share.

From 27.06.2022 the shares of the Company will be traded on the Athens Stock Exchange Ex-dividend.

Beneficiaries of the dividend, are those shareholders who are registered in the Dematerialized Securities System (DSS), which is managed by Greek Central Securities Depository SA, on 28th of June 2022 (Record date). The dividend payment will be effected on July 1st 2022, and will be made by the payee bank ALPHA BANK S.A. through the operators of DSS. Dividends that are not be collected within five (5) years, will be written off in favor of the Hellenic state while the dividend payment procedure through the «ALPHA BANK S.A.» branches network will be valid for one (1) year from the date of payment (up to July 1st , 2023).

**Change of The Parent Company's Name**

On June 22, 2022 the Ordinary General Meeting of the Shareholders of the Company decided to change the name of the Company to "LOULIS FOOD INGREDIENTS SA" and the distinctive title to "LOULIS FOOD INGREDIENTS". The name of the company is rendered in the English language as: "LOULIS FOOD INGREDIENTS S.A." with the distinctive title "LOULIS FOOD INGREDIENTS".

The Ministry of Development and Investments with the no. 2650938 AP/28-06-2022 decision approved the amendment of the relevant article of the Company's Articles of Association. The Corporate Transactions Committee of the Athens Stock Exchange was informed of the above decision at its meeting of July 7, 2022 and determined that the name of the company on the Athens Stock Exchange changes from July 11, 2022.

**Issuance of Bond Loan**

On June 24, 2022 the Company proceeded with the issuance of a bond loan of total amount of € 7,0 million of five-years duration, in order to refinance its existing borrowing and finance its overall business needs. The loan has been granted by Eurobank SA.

**Establishment of a subsidiary under the name "LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY"**

On December 15, 2022 the Articles of Association of energy community incorporation has been registered to the General Commercial Registry by which the subsidiary under the name "LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY" has been set up. The parent Company «LOULIS FOOD INGREDIENTS SA» holds 20,00% of the subsidiary and initial share capital € 60.000. The subsidiaries «KENFOOD SA» and «LOULIS LOGISTICS SERVICES SA» each hold 20,00% of the newly established

subsidiary. Energy Community is a civil law non-profit association of sole purpose mainly engaged in the production, distribution and trade of electric power from renewable energy plants.

## D. Future Performance and Development

The vision of LOULIS FOOD INGREDIENTS SA is "to create value for human nutrition". The continuous commitment of the Management is to keep that vision in order the Group to remain the undoubtful leader and pioneer in the market. In particular, the mission of the Group is:

- to produce and distribute innovative raw materials of high quality as well as render high-level services in the food market
- to pioneer and develop with respect to its three centuries tradition as well as to create value for its customers, employees, shareholders and the society.
- to be the leader in the market of Southeast Europe and at the same to time enforce its export orientation with environmental and social responsibility.

Within the last years the Group is continually evolving. The Group is not anymore a flour mill only, yet it has evolved into a producer and distributor of raw materials, supporting bakers and pastry-makers with goods and services. For 2023, the group firstly aims to achieve its annual business goals and secondly to set the foundations for its long-term development.

The main strategic orientations and priorities of the Group for the period 2023-2025 are:

- Development of HO.BA.RE.CA. sales (Hotel, Bakery, Restaurant, Café).
- Development of B2C sales. Maintaining the leadership in the preference of Greek consumers and development with quality and innovative new products.
- Development of the sales network in Bulgaria aiming in sales with greater profitability.
- Product Superiority. Improvement of the quality and diversity of the existing provided products and services. To produce innovative and of high quality new products in the following years.
- Operational Efficiency. Increasing productivity in order to decrease production cost.
- Environment, Society and Governance. Emphasizing sustainability and social activation. Optimization of the corporate governance's mechanisms.

The foreseen performance for 2023 depends to a great extent on the continuous uncertainty in the local and international markets resulted from the growing geopolitical tensions and the difficult macroeconomic environment due to inflationary pressures, increases in interest rates and disruptions in energy market.

Within 2023 consumption of food products within the Eurozone is expected to moderately rise and continue to recover compared to the previous year in line with the expected inflation decline and the uncertainty of the security of energy supply and pricing, having a positive effect on the financial results of the group. In any case, the effect in the following period as well as the recovery course cannot be estimated since they depend on the course of indicators and figures such as international commodity prices, energy cost, local and

regional demand, the effect from the monetary and fiscal policy measures etc., facts that the Group is not able to influence.

The competitive production basis, the storage and supply facilities, the strong operating performance and the adequacy of the financial liquidity are significant competitive advantages which shall allow the continuation of the successful course, the smooth implementation of the Group's strategic plan 2023-2025 and to ensure the business viability of the Group.

## E. Main Risks and Uncertainties for the Next Year

The Group has developed and applied an effective "Business Risk Management System" for recognizing, assessing, managing, treating and monitoring business risks. Management applies appropriate and affective policies, procedures and tools in order to take into account and effectively manage corporate risks in the process of taking the best decision mainly for the Group's smooth business operation.

Management continuously monitors and assesses the possible effect of any changes in the macroeconomic and financial environment within the countries the Group operates so as to ensure that all the appropriate actions and measures shall be taken in order to minimize any impact on the Group's activities.

Based on current assessment, Management has concluded that additional impairment provisions of financial and non-financial assets at December 31, 2022 are not necessary.

The main risks that the Group is exposed to and is likely to face next year are as follows:

**Macroeconomic Environment**

The macroeconomic conditions have been affected negatively both in Greece and globally by the financial risks derived from significant geopolitical tensions as well as the rapid rise of interest rates and the disruptions in energy market which led prices of raw materials to increase.

Management continuously monitors and assesses the possible effect of any changes in the macroeconomic and financial environment within the countries the Group operates taking into account the inetrnational financial developments, so as to ensure that all the appropriate actions and measures shall be taken in order to minimize any impact on the Group's activities.

Growing inflation and high prices of energy have affected the financial and operational performance of the Group. Management closely monitors macroeconomic developments and the financial perspectives in order to minimize uncertainties and risks.

**«Covid-19» Pandemic Crisis**

«Covid-19» Pandemic fluctuated during 2022, started with escalation and progressively declined till the end while the continuously growing vaccination coverage of the population provided additional protection. Therefore, from the second half of 2022 and onwards gradual lifting of the restricting measures and return to normality have occurred. However, the Group, assisted with the necessary technological tools, supported the hybrid model which has been adopted as a measure to address the pandemic, increased significantly

remote working rate during the second half of 2022, while at the same time retained all the preventive measures adopted regarding "Working Safety and Security"

Group's priority remains the protection and safety of its employees, ensuring of its smooth business operation and particularly the uninterruptible supply of its products in the market.

**Risk form Russian Invasion in Ukraine**

The Group does not operate in Ukraine and Russia. However, the geopolitical uncertainty led to higher inflation and increased instability in energy market affecting the overall financial environment, conditions that may possibly continue to exist. Moreover, there is increased risk from disruptions in the global supply chain.

Regarding cereal markets, during the period imports from the countries involved have been banned the Group timely found alternative supply solutions from the rest wheat-producing countries in Europe.

Management continuously monitors the developments and possible effect on turnover, results and financial position of the Group from the increasing prices of raw materials, disruptions in the global chain supply and high energy cost in order to take the appropriate measures for the smooth viability of the Group and the Company.

**Credit Risk**

The Group does not have significant concentration of credit risk in any of its contracting parties, mainly due to the large number of customers and the great dispersion of the Group's customer base.

The Management of the Group has adopted and applies credit control procedures to minimize its doubtful receivables through the evaluation of the credit ability of its customers and the effective management of the receivables before they become overdue. For the monitoring of credit risk, customers are classified according to the maturity of their receivables, the historical background of their collection taking into account future factors relating to customers as well as the broader financial environment.

Additionally, the Group's companies have an insurance contract that covers most of their claims. This contract cannot be sold or transferred. Customers who are considered to be unreliable are reevaluated at every reporting date and when a likelihood of non-recovery of these receivables occurs, a provision for doubtful debts is formed

**Liquidity Risk**

The Group keeps its liquidity risk at low levels through the availability of adequate cash or/and approved bank credit limits ensuring the fulfillment of the Group's short-term financial liabilities. The Group's liquidity ratio (current assets to current liabilities) amounted to 2,23 at December 31, 2022 towards 2,11 in the previous year.

For the monitoring and management of liquidity risk the Group forms cash flow projections on a regular basis.

### Interest Rate Risk

The Group's exposure to the risk of changes in the interest rates relates to its short-term and long-term loans. The Group manages Interest Rate Risk through keeping all the loans at variable interest rates and at the same time the Group has entered into contracts of interest rate swaps in order to gain a fixed cost of long-term borrowing from a Euribor-index change.

The table below presents the sensitivity of the Earnings Before Tax of the Group and the Company if the interest rates change by one percentage point:

**Sensitivity Analysis on Interest Rate Changes**

| | Interest Rate Volatility | Impact on Company's EBT | Impact on Group's EBT |
|---|---|---|---|
| **01.01.2022 31.12.2022** | 1,00% | -664.267 | -786.048 |
| | -1,00% | 664.267 | 786.048 |
| **01.01.2021 31.12.2021** | 1,00% | -543.337 | -618.246 |
| | -1,00% | 543.337 | 618.246 |

### Exchange Rate Risk

The Group operates in Southeast Europe and as a result any change in the operating currencies of those countries towards other currencies exposes the Group to risk of exchange rate. The main currencies involved in the Group's transactions are Euro and Bulgarian Lev.

The Group's Management continuously monitors the foreign exchange risks that may arise and assesses the need for action, yet at the moment there is no such risk since the exchange rate between the two currencies is stable from 1 January 1999 (BGN 1.95583 = EUR 1).

### Risk of Inventory Loss

The Management of the Group takes all the necessary measures (insurance, storage) in order to minimize the risk and the contingent loss due to inventory loss from natural disasters, thefts, etc. Moreover, due to the inventory's high turnover ratio and the simultaneous inventory's long duration (expiry date), the risk of their obsolescence is very limited.

### Risk of Price Variation of Raw Materials

The Group is exposed to risk derived from the variation in prices of the used raw materials for its products. The fluctuation in prices of the raw materials during the recent years as well as the general economic crisis lead to the conclusion that this fluctuation will continue to exist. Therefore, exposure to that risk is considered high and for that reason the Group's Management takes all the necessary measures in order, firstly, to eliminate the Group's exposure to that risk through achieving specific agreements with its suppliers and the use of derivative financial instruments and secondly, to adjust its pricing and commercial policy timely and accordingly.

### Other Operating Risks

Management has installed a reliable system of internal control in order to detect malfunctions and exceptions within its commercial operations. In this context, operational, strategic, regulatory, financial and legal risks as well as risks relating to information systems are assessed and monitored.

The Group is exposed to operational risks and Management treats them either with safeguards or transferring the risk to third parties (e.g. insurance companies). Property insurance and other risk cover are adequate.

## F. Information about Labour and Environmental Policy

### Human resources

The main pillar of the sustainable development of Loulis Food Ingredients Group is its people. In particular, a strong family culture has been formed which is based on the Group's values and the mutual respect, trust, cooperation and team spirit ensuring the success of its people. The Group continuously invests in its people in order to acquire various business advantages such as increased productivity, employees' satisfaction, involvement and sustenance of the manpower as well as attracting young and qualified people. In the long term, defending employees' interests and the support provided for their development are crucial for the way the Group creates value. Discriminations are excluded from the Group's practices and human rights and equal opportunities are supported in every way according to the international standards.

Key priority and vision of the Group is to create, develop, evolve and take care of the leading team.

Employment and hiring

The Group takes very seriously the development and support of local communities while at the same time wishes to employ employees who, apart from having the necessary qualifications, can strike a balance between labour requirements and personal, family and social needs.

For these reasons the Group has chosen to give priority and hire employees form local communities.

The whole staff of the Group is covered by the National collective labor agreement, since there are no collective agreements in force which cover the specialties of the Group's employees.

Equality and Diversity

Respect of human rights is fundamental principle for the sustainable development of the Group and of its social partners. The Group commits itself to ensure that its people are treated with the proper dignity and respect and recognizes that human resources consist of different people with their own personality, way of life and goals. For that reason the Group:

- applies Human Rights Policy based on the human rights international principles as included in the Universal Declaration of Human Rights, the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work, the UN Global Compact and the UN Guidelines for Labour,

- investigate thoroughly and preventively whether there are claims of discriminations so as to take all the disciplinary measures and to restore the human rights respect which is principal right within the Group's operation,
- aims to achieve UN Sustainable Development Goals for eliminating discriminations relating to gender equality, age, nationality as well as diversity right as a whole,
- human rights and fights with its policies and actions to be an example within the Green business environment and Greek society.

Health and Labor Safety

Within Loulis Food Ingredients Group the protection of the employees and all of those involved in the Group's chain value represent a crucial matter and an integral part of the Group's policy, philosophy, work and daily life. Nothing can be more important than the people and their safety who daily contribute to the development of the Group. Health and safety are not a typical procedure yet a basic ingredient of the Group's philosophy. Specifically the Group:

- makes continuous efforts to improve the working conditions for each position through conducting daily inspections in the working areas and trains the employees about the practices they have to follow in order to remain safe within a healthy working environment (supply and mandatory use of Personal Protective Equipment, information provided about the safe working procedures etc.),
- provides a safe and healthy working environment consistent with the applied legislation, regulations and the internal health and safety requirements,
- conducts seminars, on an annual basis, of health and safety so as to provide employees a general training as well as to inform them about any potential hazards may be involved in their job,
- commits itself for the interest of its employees, to the continuous improvement of health and safety in the working areas, though, among other things, identifying safety hazards and addressing health and safety issues,
- an occupational hazard study is being carried out and preventive inspections and maintenance of premises are conducted based on a preventive maintenance schedule in order to detect and assess risks related to labor,
- provides medical surveillance of all of our employees through the appointment of an Occupational Doctor,
- applies strict prevention procedures in order to eliminate accidents and minimize days of absence from work due to working accident,

Encouragement and Employees' Participation in Decision-making Process

Loulis Food Ingredients Group continually encourages employees to express their ideas, participate in the decision-making process and into the procedures of problems' solutions, retaining the culture of open

communication. The Group has established various practices for the regular information of the employees for the Group's actions. Particularly:

- the applied policy of the "open door" the Group ensures conditions of mutual trust and understanding since all the employees are able to communicate directly with the Management regarding the solution of any working problem or other,
- setting up Working Groups (CFT) helped diverse ideas and views of people from different departments and levels to be combined in order to carry out significant projects,
- with the use of the corporate platform for internal communication the regular corporate information of the Group's employees is achieved as well as the dynamic and flexible communication among Group's people.

Development and Training of Employees

Development and training of employees is main priority of Loulis Food Ingredients Group and is considered as a crucial matter. The Group aims to the employees' personal development and evolution as well as the development of their skills. That is valuable to each of our employees individually because it enhances their confidence and simultaneously it prepares them to meet the high standards of the products and services provided to the customers and consumers.

The Group constantly invests in the development of its people, applying, in every stage of their occupational course, training programs which enhance their technical and managerial skills.

Benefits to Employees

The contribution of the people to the Group's development is continuously recognized through providing employees with several benefits. In particular, the Group:

- offers competitive salaries so as to attract qualified staff and ensure a decent standard of living for all employees,
- wishes to contribute substantially to strengthening the balance between professional and personal life of employees,
- offers parental leave to male and female employees when a child is born,
- applies additional benefit policy that supports substantially the employees and their families (liquidity assistance to meet any special need, medical insurance, providing products free of charge e.tc).

**Environmental issues**

All the people of Loulis Food Ingredients Group for more than 40 years are committed to ensure the proper implementation of the environment policy. The Group invests constantly in modern technology for achieving an environmental friendly operation in all production premises and eliminating the environmental impact. Adopts specific Environmental Policy and implements practices which ensure the best environmental

protection and management of the environmental impact from the Group's operation. The Group is based on the principle of prevention so as to ensure the timely treatment of all environmental effects.

In particular, the Group:

- applies recycling plan of solid waste generated by the production process and other activities of the Group (paper and plastic packages, metals, batteries, electric and electronic equipment etc.) with verified providers (organizations and companies) of waste management,
- carries out disinsectisation of organic cereals and flour in controlled atmosphere conditions,
- applies approved sea anti-pollution plan in its privately owned ports,
- applies innovative practices for energy saving and reduction of the respective emissions,
- trains continually the employees for environmental issues and conducts emergency drills, fire-extinguishing and decontamination,
- avoids the use of chemical cleaning products replacing them with biodegradable cleaners,
- uses re-useable palettes for the distribution of its products, adopting environmental friendly logistics solutions with great benefits for the environment, the products and the customer,
- aims to the efficient energy consumption within the production process through the adoption of technologies with high energy efficiency and with reduced energy consumption required per every tonne of obtained product,
- minimizes as much as possible the transfer of raw materials, products and employees in order to achieve reduction of gas emissions to the environment.

## G. Alternative Performance Measures (APMs)

According to the ESMA/2015/1415en Guidelines on Alternative Performance Measures (APMs) of the European Securities and Markets Authority, an Alternative Performance Measure (APM) is a financial measure of historical or future financial performance, financial position or cash flows, which is not defined or provided in the current Financial Reporting Framework (IFRS). APMs typically arise from or are based on financial statements prepared in accordance with the current Financial Reporting Framework (IFRS), primarily with the addition or deduction of amounts from the figures presented in the Financial Statements.

The Group uses to a limited extent Alternative Performance Measures (APMs) when publishing its financial performance, in order to better understand the Group's operating results and financial position.

**Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)**

The indicator Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) ,which aims to a better analysis of the Group's and Company's results, is estimated as follows: Profit/(Loss) before tax, as adjusted by the addition of "Financial Expenses" and "Depreciation", without including the items "Financial Income", "Fair Value valuation of bonds and participations", "Other Expenses" and "Other Income" (excluding "Other

Operating Income"). The margin of this indicator is calculated as the ratio of the "Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)" with the total of "Sales".

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Sales** | **197.908.200** | **134.908.470** | **173.303.050** | **119.715.042** |
| Profit/(Loss) before Tax | 2.435.721 | 807.448 | 1.280.084 | 902.268 |
| Other Income (excluding Other Operating Income) | (815.871) | (144.196) | (812.439) | (120.554) |
| Other Expenses | 1.970.273 | 199.794 | 1.927.064 | 150.510 |
| Fair Value valuation of bonds and participations | 872.638 | 142.662 | 872.638 | 142.662 |
| Financial Income | (5.028) | (3.650) | (133.116) | (29.050) |
| Financial Expenses | 2.457.358 | 1.650.351 | 2.211.295 | 1.413.073 |
| Depreciation | 5.238.177 | 5.198.143 | 4.710.080 | 4.698.357 |
| **Earnings before Interest, Tax, Depreciation and Amortization (EBITDA** | **12.153.268** | **7.850.552** | **10.055.606** | **7.157.266** |
| **Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) margin** | **6,14%** | **5,82%** | **5,80%** | **5,98%** |

## Earnings before Interest and Tax (EBIT)

The indicator Earnings before Interest and Tax (EBIT), which serves the better analysis of the Group's and Company's operating results, is estimated as follows : Profit/(Loss) before tax, as adjusted by the addition of "Financial Expenses" , without taking into account the items "Financial Income", "Fair Value valuation of bonds and participations", "Other Expenses" and "Other Income" (excluding "Other Operating Income"). The margin of this indicator is calculated as the ratio of the "Earnings before Interest and Tax (EBIT)" with the total of "Sales".

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| **Sales** | **197.908.200** | **134.908.470** | **173.303.050** | **119.715.042** |
| Profit/(Loss) before tax | 2.435.721 | 807.448 | 1.280.084 | 902.268 |
| Other Income (excluding Other Operating Income) | (815.871) | (144.196) | (812.439) | (120.554) |
| Other Expenses | 1.970.273 | 199.794 | 1.927.064 | 150.510 |
| Fair Value valuation of bonds and participations | 872.638 | 142.662 | 872.638 | 142.662 |
| Financial Income | (5.028) | (3.650) | (133.116) | (29.050) |
| Financial Expenses | 2.457.358 | 1.650.351 | 2.211.295 | 1.413.073 |
| **Earnings before Interest and Tax (EBIT)** | **6.915.091** | **2.652.409** | **5.345.526** | **2.458.909** |
| **Earning before Interest and Tax (EBIT) margin** | **3,49%** | **1,97%** | **3,08%** | **2,05%** |

**Total Net Borrowing**

The "Total Net Borrowing" is one ESMA that the Management uses to evaluate the capital structure of the Group and the Company. It is estimated as the sum of the items "Long-term Borrowing Liabilities "and "Short-term Borrowing Liabilities", net of the item "Cash and Cash Equivalents".

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Long-term Borrowing Liabilities | 60.077.548 | 47.473.357 | 53.675.000 | 42.125.000 |
| Short-term Borrowing Liabilities | 18.527.222 | 14.351.250 | 12.751.710 | 12.208.732 |
| Cash and Cash Equivalents | (11.013.927) | (9.653.358) | (8.977.563) | (8.343.081) |
| **Total Net Borrowing** | **67.590.843** | **52.171.249** | **57.449.147** | **45.990.651** |

## H. Corporate Governance Statement

According to par. 1 article 152 of Law 4548/2018, the Corporate Governance Statement is included in the Annual Report of the Board of Directors of "LOULIS FOOD INGREDIENTS SA" for the fiscal year 1/1-31/12/2022. The reference date of the Corporate Governance Statement is 31.12.2022.

**Corporate Governance Code**

In compliance with article 17 of Law 4706/2020 and upon the decision of the Board of Directors dated on 25.06.2021, the Company applies the Hellenic Corporate Governance Code of the Hellenic Corporate Governance Council (HCGC) (June 2021), taking into consideration the relevant amendments of the legislative framework, the regulations and the best international practices of corporate governance as in force.

The Hellenic Corporate Governance Code is posted on the website of the Hellenic Corporate Governance Council: https://www.esed.org.gr/web/guest/code-listed

Apart from the website of HCGC the Code is available on the official corporate website of the Company: https://www.loulis.com/kodikas-etairikis-diakyvernisis

A description of the deviations of the Company from some special practices of the Hellenic Corporate Governance Code and a brief justification of such deviations follow:

**Non-compliance/deviation from special practices**

Section A – Board of Directors

2.4. Remuneration of Members of the Board of Directors

2.4.14. The contracts of the executive members of the Board of Directors provide that the Board of Directors may require refund of all or part of the bonus awarded, due to breach of contractual terms or incorrect financial statements of previous years or based generally on incorrect financial data, used for the calculation of this bonus.

Such a provision is not included in the contracts of the executive members of the Board of Directors since the Remuneration Policy of the Company includes a corresponding term: "The payment of variable remuneration can be cancelled upon decision of the BoD in case the receiver has proven to have breached the Corporate Principles Code of the Company or has been convicted by a Criminal Court or in case the payment of the variable remuneration was based on corporate profit data that subsequently proved to be incorrect". Therefore, the adoption of the relevant practice of HCGC is not considered appropriate and no significant risk is estimated to arise from the above deviation.

**Practices of Corporate Governance additional to Law**

The Company does not apply Practices of Corporate Governance additional to the requirements of the relevant legislation.

**Main characteristics of the Company's Internal Auditing and Risk Management Systems in relation to the procedure for preparing financial statements**

The Company applies Corporate Governance System which includes the Internal Auditing System. The Internal Auditing System (IAS) is the set of internal auditing mechanisms and procedures, including risk management, internal auditing and regulatory compliance, which covers on a continuous basis every activity of the Group and contributes to its safe and efficient operation.

The Internal Auditing System includes but it is not limited to the following characteristics:

- Control Environment, consisting at least of the followings:
  - Integrity, Ethical Values and Management Behavior
  - Organizational Structure
  - Board of Directors
  - Corporate Responsibility
  - Human Resources
  -
- Risk Management
- Control Activities
- Information & Communication
- Monitoring Activities in order to report findings for correction and improvement.

The Company's Internal Auditing System aims at achieving the following targets:

a) Consistent implementation of the business strategy along with the effective use of the available resources.

b) Effective operation of the Internal Auditing Unit the structure, operation and responsibilities of which are defined by its Internal Auditing Charter.

c) Effective risk management, through the identification and management of significant risks linked with the operation and activity of the Company, through management risk operation.

d) Completeness and reliability assurance of the required data and information for the ultimate and timely determination of the Company's financial and non-financial status and preparation of reliable financial statements, according to article 151 of Law 4548/2018.

e) Effective compliance of the Company with the regulatory and legislative framework as well as the internal auditing mechanisms of the Company's operation through regulatory compliance.

The Board of Directors ensures that the Internal Auditing System's functions are independent of the business lines they control, including that they have the appropriate financial and human resources as well as the authority to effectively perform their role. The reporting lines and the allocation of responsibilities are clear, enforceable and duly documented.

In addition to the Internal Auditing System, the Board of Directors annually reexamines the corporate strategy and the main business risks affecting the Company.

The Internal Auditing Unit of the Company audits the proper implementation of each procedure and internal auditing system regardless of its accounting or non-accounting nature and assesses the company through reviewing its activities, acting as a service accountable to Management. Its main mission is monitoring and improvement of the policies of the Company and of its subsidiaries (hereinafter "Group") and the advisory support to the BoD through submitting relevant proposals regarding the Internal Auditing System.

The Internal Auditing System aims, among others, at achieving completeness and reliability assurance of the required data and information for the ultimate and timely determination of the Company's financial and non-financial status and preparation of reliable financial statements. Regarding the preparation of financial statements the Company declares that the financial reporting system of the Company uses an accounting system sufficient enough for reporting to Management as well as to other third-party users.

The Financial Statements as well as other reports referring to management are prepared on a separate and consolidated basis in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) for reporting purposes to management and for publishing purposes, according to the applicable regulations. Management information as well as financial information for publishing include all the necessary information regarding an updated internal auditing system including sales analysis, cost/expenses, operating profit as well as other data and ratios. All the reports to management include current data compared with the corresponding data of the previous referring period. All the published interim and annual financial statements include all the required information and disclosures on the financial accounts, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), are being reviewed by the Audit Committee and correspondingly are being approved by the BoD as a whole.

The Company has developed and applies policies and procedures for the preparation of the financial statements to ensure their credibility and compliance with legislation and regulations that affect their preparation and publishing. These procedures relate to the proper audit and recording of revenue and expenditure, as well as the monitoring of the status and value of the Company's assets.

The implemented policies and procedures, relating to the preparation of the financial statements concern among others:

- Procedures for closing periods that include the submission deadlines, responsibilities, classification and analysis of the accounts and updates for the necessary disclosures.
- Reconciliation of the account balances of Customers and Suppliers and other receivables and liabilities, at a regular time basis.
- Procedures that ensure that the transactions are recognized in accordance with the International Financial Reporting Standards.
- Reconciliation of the bank accounts and borrowing accounts kept by the Company at approved Banks on a monthly basis.
- Audit and reconciliation of the cheques receivable and cheques payable.
- Forming provisions for the Company's receivables and liabilities when the supporting documents have not yet been obtained.
- Carrying out inventory physical counting and audit of the warehouse imports – exports on a monthly basis.
- Audit and reconciliation of sales with the documents issued.
- Implementation of policies and procedures for areas such as significant purchases, payment and collection procedures, managing inventories, etc.
- Implementation of procedures for entries being made by different people within the context of segregation of duties.
- Approvals and procedures for the correct entry of the Company's expenses into the accounts of the applied chart of accounts and the correct cost center;
- Procedures for purchase approvals, register and monitoring of assets and charging of the proper depreciation amounts;
- Procedures for monitoring and managing staff and payroll liabilities.
- Procedures that ensure the proper implementation of the Company's applied accounting chart and that the access and the changes made to it through the Company's Information System are only carried out by authorized users in specified area of responsibility.

At the end of each period the accounting department of the Company conducts the required actions for the preparation of the Financial Statements according to law.

The Information System of the Company is continually being developed and upgraded in close cooperation with a competent IT Company in order to adjust to the Company's continuously growing and specific needs for the support of the Company's long-term goals and prospects.

In addition, safeguards are applied regarding:

a) identification and risk assessment in relation to the credibility of the financial statements,

b) management planning and monitoring regarding financial figures,

c) fraud prevention and revealing,

d) roles/responsibilities of staff,

e) process of period-closing including consolidation (e.g. procedures, accesses, approvals, reconciliations etc.) and

f) assurance of the provided data from the information systems.

The preparation of the internal reports to Management and the required reports by Law 4548/2018, the International Financial Reporting Standards and the supervising authorities are conducted by the Financial Administration which consists of qualified and experienced executives for that purpose.

Management ensures that those executives update their knowledge regarding any changes in accounting and tax issues relating to the Company and the Group. The Company has implemented seperate procedures for gathering the required data from the subsidiaries and ensures the reconciliation of each transaction and the implementation of the same accounting policies by the Group's companies.

Risk Management of the Company targets support to adequately and effectively the BoD in identifying, assessing and managing significant risks related to the operation and activity of the Company and the Group through appropriate and sufficient policies, procedures and tools.

The Regulatory Compliance of the Company aims at supporting the BoD to full and continuous compliance of the Company towards the legislative and regulatory framework in force and the internal Regulations and Policies governing its operation, providing anytime a clear view of the level of achievement of that objective. The implemented policies and procedures are being assessed and redefined when they found to be inadequate or when it is required by changes in the applicable legislation.

**Evaluation of the Internal Control System Report and Application of the provisions of Corporate Governance**

In accordance with case i par. 3 and 4 of art. 14 of Law 4706/2020 and the decision 1/891/30.09.2020 of the BoD of the Capital Market Commission, as they amended and apply, the procedure of the periodic evaluation of the ICS of the Company and of its significant subsidiaries by an Independent Evaluator is determined as well as the preparation of an Evaluation Results Report of ICS. The first evaluation of the ICS is determined to have completed by March 31, 2023 with reference date December 31, 2022 and reference period from the date art. 14 of Law 4706/2020 entered into force i.e. July 17,2021.

Based on this, the Company, by decision of the BoD, commissioned ASSOCIATED CERTIFIED PUBLIC ACCOUNTANTS S.A., member of Crowe Global network, Fokionos negri 3, 112 57, Athens and R.N. S.O.E.L.: 125, the work "Evaluation of the Internal Control System", for the evaluation of the adequacy and effectiveness of ICS of the Company and of its significant subsidiaries with a reference date of 31.12.2022. The evaluation of ICS has been conducted by Mrs. Latifi Adamantia, Certified Auditor Accountant with R.N. S.O.E.L.: 33191 and took place between 09/11/2022 until 14/03/2023.

The Adequacy and Effectiveness Evaluation Report of ICS (Summary) has been prepared in accordance with the International Standard of Assurance Work 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", which is integral part of Evaluation Results Report of ICS of the Company.

Based on the evaluator's work as well as the evidence obtained, regarding the assessment of the adequacy and effectiveness of the ICS of the Company and its significant subsidiaries with a reference date of December 31, 2022, nothing has come to evaluator's attention that could be considered as a material weakness of the Company's ICS and its significant subsidiaries, in accordance with the Regulatory Framework.

The curriculum vitae of the Company's Internal Auditor follows:

**Zakinos Cohen, Internal Auditor**

He is Economist, born in Volos in 1979. After completed successfully his studies in Business Administration at University of Piraeus he continued his post-graduate studies at Bonn University of Germany, where he completed postgraduate course LLM and specifically "European Regulation of Network Industries" acquiring expertise in union law of regulatory authorities and competition. He has been for many years store Manager of a large retail company. From 2015 until 2019 he has been Deputy General Director of the strategic importance on-port terminal cereal-silo of the company "Al Dahra Holding LLC" in UAE and upon his return to Greece he has been appointed as Office Director of the General Secretariat of Tourism Policy and Development in the Ministry of Tourism. For the time being, he is appointed as internal auditor of the company "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS") while in 2022 he has been elected member of the Disciplinary Board of the Institute of Internal Auditors of Greece.

## General Meeting of Shareholders

### Operation and main authorities of the General Meeting

The General Meeting is the supreme body of the Company, and may decide for each corporate case and rule on all matters submitted to it. The role, powers, convening, participation, the ordinary and extraordinary quorum and majority of runners, the Bureau, the Agenda and the overall operation of the General Meeting of Shareholders of the Company are described in the Articles of Association of the Company, as it has been updated on the basis of the provisions of law 4548/2018, as amended.

In particular, the General Meeting is exclusively responsible to decide on:

- amendments to the Articles of Association, as they considered, however, the increases or reductions in the capital. The decisions for the amendment of the Company's Articles of Association are vaild, if not prohibited by an explicit provision of it,
- election of the BoD members and Auditors,
- approval of the Company's balance sheet,
- distribution of annual profits,
- merge, split, convert, revival, extension of duration, or dissolution of the company and
- appointment of liquidators

Within the provisions of the aforementioned paragraph the followings are not included: a) increases decided in accordance with the article 24 of codified law 4548/2018 by the Board of Directors, as well as increases imposed by provisions of other laws, b) the amendment or adjustment of provisions of the Articles of Association by the Board of Directors in accordance with article 117, paragraph 2(b) law 4548/2018, c) the appointment of the first BoD by the Statute, d) the election of Directors according to the Company's Articles of Association pursuant to article 82 of law 4548/2018, for the replacement of the resigned ones, deceased or lost their property in any other way, e) absorption of according to article 117 par. 2(e) of law 4548/2018 of a limited company from another company that owns 100% of its shares and f) possibility of profit distribution or optional reserves within the current fiscal year by decision of the Board of Directors, if authorized by the General Meeting.

The election of the members of the Audit Committee is included among the General Meeting's duties in accordance to law 4449/2017 and the Company's Business Rules of Procedure of the Audit Committee.

The decisions of the General Meeting are binding for the shareholders who are absent or disagree.

The General Meeting of Shareholders shall be convened by the Board of Directors at all times and regularly convenes at the registered office of the Company or to another district of Municipality within the county of the registered office of the Company or other adjacent municipality of the registered office of the Company, at least once per fiscal year and always within the first six months of the end of each fiscal year. The General Meeting can meet and at the district of the municipality where it is located the headquarters of the Athens Stock Exchange.

The Board of Directors may convene an extraordinary meeting of the General Meeting of shareholders if deemed necessary or if requested by shareholders representing the required percentage according to law and the Company's Articles of Association.

The General Meeting, with the exception of repetitive meetings and those assimilated, convene at least twenty (20) days before the date set for the meeting. It is clarified that non-working days are also counted. The day of publication of the invitation and the day of the meeting are not counted.

At the invitation of the shareholders in General Meeting, should be determined the date, the day, the hour and the venue where the Meeting will be held, the agenda issues, shareholders who are entitled to participate, as well as precise instructions about the procedure in which shareholders will be able to participate in the meeting and to exercise their rights in person or through a representative or possibly remotely.

Invitation of a general meeting is not required when shareholders are all present or represented for the entire share capital and none of them disagree for conducting the meeting and decision-making.

The General Meeting is to meet quorum and valid for agenda topics when the shareholders being present or represented, represent one fifth (1/5) of the paid-up share capital.

If this quorum is not reached the General Meeting shall meet and meet again within twenty (20) days from the day of the meeting that was aborted after inviting the shareholders before ten (10) days. The Repeat Meeting shall be valid for the items of the original agenda irrespective of the represented percentage of the share capital is present.

The decisions of the General Meeting are taken by absolute majority of votes represented therein.

In the case decisions are to be taken by the General Meeting concern restrictively: a) change of nationality of the Company, b) extention, merge, split, convert, revival or dissolution of the Company, c) change of the purpose of the Company, d) increase of the share capital, which is not provided in the Company's Articles of Association, in accordance with paragraphs 1 and 2 of article 24 of codified law 4548/2018 unless imposed by law or is made by the capitalization of reserves, e) reduction of share capital, unless made in accordance with paragraph 5 of article 21 or paragraph 6 of article 49 of law 4548/2018, f) change the way of distribution of profits, g) increase the liabilities of the shareholders, h) conversion of name shares to bearer shares or bearer shares to name shares, i) granting or renewal of authority to the Board of Directors to increase the share capital in accordance with article 24 paragraph 1 of law 4548/2018, the General Meeting shall form quorum, meet valid and can take legitimate decisions on the agenda when present or represented in that shareholders up to two thirds (2/3) of the paid-up share capital.

The General Meeting is chaired temporarily, and until the election of president by the General Meeting, by the Chairman of the Board of Directors or his Deputy, or if they are not presented, by another member of the Board of Directors, or if not attended any Board Member, a person who is elected from the Meeting. The interim President shall appoint a temporary secretary who will count the votes. After the declaration of the list of the shareholders present as final, the General Meeting will proceed to the election of a President and a Secretary, who will count the votes.

The discussions and decisions of the General Meeting are limited to matters which are included on the agenda. Procedures for hearing and decision-making of the General Meeting are recorded in summary form in a special minute book and shall be signed by the Chairman and the secretary. The President of the General Meeting, on request of the shareholders, is obliged to record an accurate summary of the opinions expressed by those shareholders on the Company's record. The minutes should also include the list of shareholders who were

present or represented at the meeting, as well as the number of shareholders and their vote. In case one (1) only shareholder is present at General Meeting, it is mandatory the presence of a notary, who subscribes to the Minutes.

**Rights of the shareholders and how to exercise those rights**

**Rights of participation and voting**

The shareholders shall only exercise their rights, regarding the Company's management, at the General Meetings and in accordance with the provisions of the law and the Articles of Association. Every share represents one vote at the General Meeting, subject to the provisions of the article 36 & 38 par. 4 of Law 4548/2018, as in force.

Anyone who appears as a shareholder on the records of the Intangible Securities System of the Company that is managed by the "Hellenic Exchange SA" (HESA), which keeps the Company's securities (shares), may participate at the General Meeting. The verification of the shareholder status is made with the submission of the relevant written certification that is issued by the aforementioned body or alternatively through the direct online connection between the Company and the records of the mentioned above body. The shareholder's capacity must exist upon the record date, namely at the beginning of the fifth (5th) day prior to the convening of the General Meeting, and the relevant certification or online certification regarding the shareholder capacity must have been obtained by the Company at the latest on the third (3rd) day prior to the convening of the General Meeting.

For the Company, the right to participate and vote at the General Meeting is only exercised by the person holding the shareholder's capacity upon the corresponding record date. In case of non-compliance with the provisions under article 124 of Law 4548/2018, the aforementioned shareholder may only participate in the General Meeting after it has received its permission.

It is noted that the exercise of the mentioned above rights (participation and voting) does not require the blocking of the holder's shares or the application of any other equivalent procedure, which restricts the capacity to sell and transfer these shares during the intervening period between the record date and the date of the General Meeting.

The shareholders may participate and vote at the General Meeting in person or via representatives. Every shareholder may appoint up to three (3) representatives. Legal entities may participate in the General Meeting by appointing up to three (3) natural persons as their representatives. Nevertheless, if the shareholder holds the Company's shares, which appear on more than one security accounts, that restriction does not prevent the shareholder from appointing different representatives for the shares that appear on each securities account in relating to the General Meeting. A representative acting for more than one shareholders may vote differently for each shareholder. The shareholder's representative is required to notify to the Company prior to the commencement of the General Meeting every specific fact that may be useful for the shareholders to evaluate the risk the representative to serve other interests apart from the interests of the represented

shareholder. Within the definition of this paragraph, a conflict of interest may arise specifically when the representative:

a) is a shareholder that is exercising control over the Company or another legal person or entity that is controlled by that shareholder;

b) is a member of the Board of Directors or person of the Company's general management or a shareholder exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;

c) is the Company's employee or Company's Certified Auditor or a shareholder that is exercising control over the Company or shareholder of another legal person or entity that is controlled by a shareholder that is exercising control over the Company;

d) is the spouse or a relative of 1st degree to one of the natural persons that subject to cases (a) to (c).

The appointment and revocation of the shareholder's representative shall be made in writing and communicated to the Company in the same way at least three (3) days prior to the date of the General Meeting.

**Other rights of the shareholders**

Ten (10) days prior to the Regular General Meeting every shareholder may receive copies of the Company's annual financial statements and reports by the Board of Directors and the Auditors. These documents must have been submitted in time in the Company's offices by the Board of Directors.

On request of the shareholders that represent one-twentieth (1/20$^{th}$) of the paid up share capital the Board of Directors is obliged to convene an Extraordinary General Meeting of the shareholders, by appointing its date, which cannot be later than forty-five (45) days after the date upon which the request was submitted upon the Chairman of the Board of Directors. The application shall contain the objective of the agenda. If the General Meeting is not convened by the Board of Directors within twenty (20) days from the submission of the relevant request, the meeting shall be convened by the petitioning shareholders at the Company's expense, by a resolution of the Single Member Court of First Instance where the Company's registered offices are based, which shall be issued under the interim relief proceedings. This decision shall specify the place and time for the meeting, as well as the agenda.

An application by the shareholders that represent one-twentieth (1/20$^{th}$) of the paid up share capital shall compel the Board of Directors to enter additional matters on the agenda of the General Meeting that has already been convened, if the relevant application is received by the Board of Directors at least fifteen (15) days prior to the General Meeting. The additional matters must be disclosed or notified at the responsibility of the Board of Directors in accordance with article 122 pursuant to Law 4548/2018, at least seven (7) days prior to the General Meeting. If these matters are not published, the petitioning shareholders are entitled to request the adjournment of the General Meeting in accordance with paragraph 2 under article 141 pursuant

to Law 4548/2018 and to personally proceed with the publication in accordance with the provisions of the previous section, at Company's expense.

An application by shareholders that represent one-twentieth (1/20$^{th}$) of the paid up share capital shall compel the Board of Directors to make available to the shareholders, at least six (6) days prior to the date of the General Meeting, drafts of resolutions on matters that have been included in the initial or the revised agenda, where the relevant application has been received by the Board of Directors at least seven (7) days prior to the date of the General Meeting.

Following an application by any shareholder, submitted to the Company at least five (5) clear days prior to the General Meeting, the Board of Directors is required to provide the General Meeting with the required specific information concerning the affairs of the Company, to the extent that this is useful for making an actual assessment of the matters on the agenda.

An application by shareholder/s that represent one-twentieth (1/20$^{th}$) of the paid up share capital shall compel the Chairman of the Meeting to postpone the decision-making for only one time regarding all or specific matters by the Extraordinary or Regular General Meeting, by appointing a date for continuing the meeting for the making of those decisions that are specified in the application by the shareholders, which cannot however be greater than thirty (30) days after the date of adjournment. The General Meeting after an adjournment constitutes a continuation of the previous meeting and it is not necessary to repeat the formalities for publishing the invitation to the shareholders, wherein new shareholders may not participate therein in observation of the provisions under article 141, paragraph 5 of Law 4548/2018.

An application by shareholders that represent one-twentieth (1/20$^{th}$) of the paid up share capital, which must be submitted to the Company five (5) clear days prior to the regular General Meeting, shall compel the Board of Directors to inform the General Meeting regarding the amounts that have been paid for any reason by the Company over the last two-year period to members of the Board of Directors or Managers or its other employees, as well as any other agreement that has been made for any reason between the Company and the same persons. Furthermore, an application by any shareholder, submitted in accordance with the aforementioned, shall compel the Board of Directors to provide specific information regarding the Company's affairs to the extent that this is useful for the actual assessment of the matters on the agenda. The Board of Directors may refuse to provide the requested information for insufficient reason while writing down the relevant explanation in the Minutes. Such reason, under the circumstances, may be the representation of the petitioning shareholders on the Board of Directors, in accordance with articles 79 or 80 of Law 4548/2018.

At request of shareholders that represent one-fifth (1/5$^{th}$) of the paid up share capital, which must be submitted to the Company within the deadline mentioned in the previous paragraph, the Board of Directors shall compel to provide information to the General Meeting in relation to the course of the corporate affairs and the Company's assets status. The Board of Directors may refuse to provide the requested information for insufficient reason while writing down the relevant explanation in the Minutes. Such reason, under the circumstances, may be the representation of the petitioning shareholders on the Board of Directors, in

accordance with articles 79 or 80 of Law 4548/2018 as long as the relevant members of the Board of Directors have been adequately informed.

If an application of shareholders that represent one-twentieth (1/20th) of the paid up share capital is submitted, resolutions upon any matter on the agenda of the General Meeting shall be passed with a roll call.

The Company's shareholders that represent one-twentieth (1/20th) of the paid up share capital have the right to request an audit of the Company from the Single Member Court of First Instance in the region where the Company is based, which shall adjudicate the matter on the basis of ex parte proceedings. The Audit shall be ordered where actions are conjectured that violate the provisions in the law or the Articles of Association or the resolutions by the General Meeting.

The Company's shareholders that represent one-fifth (1/5th) of the paid up share capital have the right to request an audit of the Company from the competent Court in the previous paragraph, where it is believed from the whole course of the corporate affairs that the Management of the corporate affairs is not being carried out as dictated by sound and prudent Management. This provision shall not be implemented on those occasions where the minority requesting the Audit is represented on the Company's Board of Directors.

**Information according the provisions of article 152 par. 1d' of Law 4548/2018 regarding takeover bid offers.**

It is noted that the information, according the provisions of article 152 par. 1d' of Law 4548/2018, as required by items c, d, f, h and i of par. 1 of article 10 of the Directive 2004/25/EC of the European Parliament and European Council, with date April 21st 2004, on takeover bid offers, is included within the Explanatory Report of the Board of Directors (according to article 4 par. 7 and 8 of Law 3556/2007), chapter IB of the Annual Report of the Board of Directors.

**Composition and operation of the administrative, managing and supervising bodies of the Company and of their committees.**

**Board of Directors**

The Company is represented towards third parties as well as towards any Public, Judicial Authority or any other Authority by its Board of Directors acting as a collective body. The Board of Directors (BoD) is competent to decide on any action relating to the management of the Company, management of its assets and the achievement of its objectives according to the law, excluding matters for which the General Assembly is the sole responsible body to decide on.

For any matter falling within the responsibility of representation or the Company's management of The BoD, the latter, upon its decision, can delegate the power of representation or management of the Company to one or more persons, regardless of whether they are or not members of the BoD, excluding matters for which the Law or the Articles of Association require collective action of the BoD as a collective body.

The BoD should effectively exercise its leading role and manage the corporate matters in favor of the Company and the shareholders, ensuring that the Management implements the corporate strategy demonstrating the diligence of a prudent businessman. Moreover the BoD should ensure the fair and equal treatment of all the shareholders, including minority shareholders and foreign shareholders.

**Composition and operation of the Board of Directors**

According to article 16 of the Company's Articles of Association the BoD shall be comprised of five (5) to nine (9) members that are natural or legal persons, which are elected by the General Meeting of the Shareholders by an absolute majority of the votes represented at the General Meeting. The members of the Board of Directors may be re-elected and freely revoked.

The term of the members on the Board of Directors shall be for a period of 4 years commencing from the meeting date of the General Meeting that elected the board and shall be extended until the expiry of the deadline, within of which the immediately following Ordinary General Meeting must convene and until taking such decision, in any case the term of the BoD cannot exceed sic (6) years.

The Board of Directors meets on every occasion required by law, the Articles of Association or the Company's needs, following an invitation by its Chairman or his/her deputy at the Company's registered offices or the Company's branch at Keratsini (1 Spetson Street). The invitation must necessarily state with clarity the matters on the agenda, or else the passing of resolutions shall be permitted only if all of the members on the Board of Directors are present or represented and no one has objected to the decision-making.

The Board of Directors may validly convene outside its registered offices in any other domestic or location abroad, on condition that all its members are present or represented at that meeting and no one has objected to holding the meeting elsewhere and to decision-making.

The Board of Directors may convene via teleconferencing. In that case the invitation to the members of the Board of Director shall include the necessary information regarding their participation at the meeting. The Chairman or his/her lawful deputy shall chair the meetings of the Board of Directors.

The Board of Directors shall be in quorum and validly convene if half plus one of the directors are present or represented, however the number of the directors present can under no circumstances be less than three (3).

The decisions of the BoD are taken validly by absolute majority of the directors, who are present in person or represented at the meeting.

A director who is absent may be represented by another director through a simple letter or telegraph that is addressed to the Chairman of the Board of Directors. Every director may only represent one other director and it is however necessary that at least three members are present at every meeting.

The discussions and the decisions of the BoD are recorded in summary in a special book, which may be kept also according to a computer system. Upon an application of a member of the BoD, the Chairman is obliged

to record in the minutes an exact summary of his opinion. In this book is also recorded a list of the present or represented at the meeting members of the BoD. The minutes of the BoD are signed by all the members, who are present. If a member refuses to sign, reference shall be made to the minutes. Copies of the minutes are officially issued by the Chairman or the Vice-Chairman, or by the Executive Director, without any other execution thereof to be required. The signatures of the members or their representatives can be replaced by email correspondence or other electronic means.

The Board of Directors has the right to transfer its authorities on every occasion by its special decision, which shall be entered into the Minutes, (excluding of those that require collective action) on specific and individually determined matters to one or more members of the Board of Directors or to other persons that shall act alone or collectively. The Board of Directors may also assign the Company's internal audit to one or more persons that are not of its members and to members of the Board of Directors where it is not prohibited by the law. These persons may further assign the exercise of the authorities that have been assigned to them or a section thereof to other members or third parties, when this is provided by the decisions of the Board of Directors.

a) If a director's position is vacated due to death, resignation or under any whatsoever other cause, the remaining members on the Board of Directors, which must be at least three (3), may elect a replacement director. The term of the replacement director shall expire at the same date with the director's term who has been replaced would have expired. The decision of the election shall be submitted to the publication requirements under Law and shall be announced by the Board of Directors at the immediately next General Meeiting, which may replace the elected members, even if the relevant matter has not been entered on the agenda.

b) In the aforementioned case of resignation, death, or loss of the capacity as a member of the Board of Directors in any whatsoever way, the remaining members may continue managing and representing the Company without replacing the missing members, in accordance with the hereinabove, on condition that their number exceeds half of the members that were in place prior to the time the above events have occurred. In any case, these members cannot be less than three (3).

c) In any case, the remaining members of the Board of Directors, regardless of their number, may proceed with convening a General Meeting for the exclusive purpose of electing a new Board of Directors.

**The current Board of Directors**

The Company's current Board of Directors has been elected by the Ordinary General Meeting of the Shareholders on 22.06.2022 which shall be extended until the expiry of the deadline, within of which the immediately following Ordinary General Meeting must convene and until taking such decision and was formed into a body upon the 22.06.2022 decision of the BoD. The BoD of the Company is comprised of seven members in total, two executive members, two non-executive members and three independent non-executive members.

The BoD of the Company operates in accordance with its Charter which is posted on the Company's site (https://www.loulis.com).

The following table includes the members of the current BoD, their designation and the beginning and the end of their current term:

| NAME | STATUS | BEGINNING OF TERM | END OF TERM |
|---|---|---|---|
| Nikolaos Loulis | Chairman of the BoD, Executive Member of the BoD | 22.06.2022 | 22.06.2026 |
| Elisavet Kapelanou-Alexandri | Vice-Chairman of the BoD, Independent, Non-Executive Member of the BoD | 22.06.2022 | 22.06.2026 |
| Nikolaos Fotopoulos | Chief Executive Officer – Executive member of the BoD | 22.06.2022 | 22.06.2026 |
| Spyridon Theodoropoulos | Member of the BoD, Non-Executive Member of the BoD | 22.06.2022 | 22.06.2026 |
| Gianluca Fabbri | Member of the BoD, Non-Executive Member of the BoD | 22.06.2022 | 22.06.2026 |
| Konstantinos Macheras | Member of the BoD, Independent, Non-Executive Member of the BoD | 22.06.2022 | 22.06.2026 |
| Georgios Taniskidis | Member of the BoD, Independent, Non-Executive Member of the BoD | 22.06.2022 | 22.06.2026 |

**CVs of BoD members – Suitability Assessment of BoD members – Independence Assessment of Independent non-Executive members of BoD**

The curriculum vitaes of the Company's BoD Members follow:

**Nikolaos Loulis, Chairman of the Board of Directors – Executive Member of the Board of Directors**

Nikolaos Loulis was born in 1986 in Volos. He holds a bachelor's degree from Boston College, USA, where he majored in both Finance and Accounting. Following his bachelor, he got a technical diploma on Flour Milling Engineering from the Swiss Milling School of St. Gallen, Switzerland. Finally, in 2018 he completed his postgraduate degree in Business Administration, MBA, at INSEAD. Since 2010, he is the Chairman of Loulis Food Ingredients S.A. Under his leadership, Loulis Food Ingredients has evolved from purely a flour industry

to a bakery and confectionery ingredients production company, currently producing more than 800 different raw materials for baking, with four production units in Greece and Bulgaria.

He is married, with 3 children, while in his free time enjoys running, reading history books, and loves open sea sailing. From the above it is clear that he has proven long experience in every issue related to the business activity of the Company and his participation in the BoD shall contribute very positively to the Company's long-term perspectives and achieving Company's business goals.

In the light of the above, it is apparent that Mr. Loulis has every necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

**Elisavet Kapelanou-Alexandri, Vice-Chairman of the Board of Directors, Independent, Non-Executive Member of the Board of Directors**

Elisavet Kapelanou – Alexandri is a Supreme Court Lawyer, member of the Athens Bar Association, Reg. No. 10366. She specializes in commercial, civil, tax and criminal law. Since she became a lawyer (1983) until today that she is a Supreme Court lawyer, she practices the profession - in parallel with her activity as legal advisor in Greek commercial companies. She has been a legal advisor in many companies of all kinds, but mainly societe anonymes, listed and non-listed which, she has also represented before the Greek Courts. She has been a third party legal advisor for the "Auxiliary Fund" (January 1997 - December 2002) and she has been the Legal Advisor of the Panhellenic Federation of Publishers - Booksellers (POEB) (January 1993 – June 2002). In this capacity, she actively participated in the creation of the National Book Center (EKEVI), in year 1994, aiming at the strengthening and promoting of books in Greece. She has been a third party legal advisor for the National Bank of Greece in real estate cases and as its legal representative in many of its court cases (January 1992 – May 1996). Mrs. Kapelanou – Alexandri holds a Law degree from the Law School of the University of Athens and speaks English and Italian.

Based on the above described deep training and experience it is determined that Mrs. Kapelanou – Alexandri, as a member of the BoD od the Company, to greatly contribute to BoD's works and therefore it is determined also for her that the existence of the necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

It is also determined that Mrs. Kapelanou is independent, in the meaning of the article 9 of the Law 4706/2020, having no relations of dependency as defined in the same article.

**Nikolaos Fotopoulos, Chief Executive Officer – Executive member of the Board of Directors**

Nikos Fotopoulos was born in Athens in 1960. He is a graduate of Athens School of Economics and Business (1983) and holds an MBA from the Universitaet Mannheim in Germany (1986). In 1992, Nikos took over the position of Brand Manager of Athens Office of Loulis Food Ingredients and afterwards in 1996 he became Financial Director of the same company. Since 1999 he has been the President and CEO of Saint George Mills until 2004, when the company was absorbed by the parent company Loulis Food Ingredients SA. From 2001

until today he is the CEO and a member of the Board of Directors of Loulis Food Ingredients SA in Greece and abroad. He speaks German and English and in his free time he loves traveling.

It is clear from all the above the long experience and skills in the business field of the Company and it is determined that Mr. Fotopoulos has every necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

**Spyridon Theodoropoulos, Member of the Board of Directors, Non-Executive Member of the Board of Directors**

Spyros Theodoropoulos is the founder of Chipita SA, one of the leading companies in the world in the bakery snacks sector, in which he remained in the position of CEO from 1989 until 2021. He is a graduate of Athens University of Economics and Business. In 1976, he started his career with a small family business named Recor SA, producing dairy products. He became the General Manager of Aligel SA, an importing company of confectionery and ice cream products, in 1981. In 1986, he became the General Manager of Interia, a company producing hazelnut cream with significant export activities. During the same year, he acquired 50% of Chipita, a company producing snacks and in 1989 he took full control of the company by acquiring the remaining 50%. In 1990, the Eurohellenic Fund (Olayan, De Benedetti, Alpha Finance and Titan) invested in Chipita coinciding with the beginning of the croissant production.

The company was listed in the Athens Stock Exchange in the year 1994. For the next 16 years a large variety of new products was introduced and exported to many countries. Furthermore, Chipita established plants in Bulgaria, Romania, Poland, Russia, USA, Slovakia and developed new ventures in Saudi Arabia, Turkey, Malaysia, Mexico and India. In 2006 Chipita merged with Delta, Goody's and Barba Stathi's to form Vivartia SA. One year later, MIG acquired Vivartia. From 1/9/2006 until 15/4/2010 Mr. Theodoropoulos was the Managing Director of Vivartia SA. During the summer of 2010 Mr. Theodoropoulos along with the Olayan group and other Greek investors, reacquired Chipita. In 2021 Chipita accomplished a milestone deal for the Greek food market and was acquired by the global giant Mondelez. Spyros Theodoropoulos acquired 100% of the cured meat company Nikas. Today, he is the Vice-Chairman of the Board of Directors of Hellenic Federation of Enterprises (SEV). In the past, he served as president of the Athens Stock Exchange Listed Companies Association, vice president of Greek Federation of Industries, vice president of ATHEX and member of the Board of Directors of National Bank of Greece and Public Power Corporation.

Based on the above long experience Mr. Theodoropoulos is considered a valuable presence in the Company's BoD and it is derermined that he has every necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

**Gianluca Fabbri, Member of the Board of Directors, Non-Executive Member of the Board of Directors**

Gianluca Fabbri is an economist and certified internal auditor (CIA certification), with over 20 years of experience in the fast-moving consumer goods (FMCG), agriculture and oil industries. He has an excellent reputation in the financial sector and, in particular, in the establishment, management and advisory support of companies in the context of complex assignments (mergers and acquisitions, restructuring). He enjoys international recognition for his thorough knowledge of the Sarbanes – Oxley Act and compliance requirements in both International Accounting Standards (IFRS) and Generally Accepted Accounting Principles (USGAAP). He has contributed to the improvement of financial performance, increased productivity and strengthened internal control in the companies where he has been an executive.

From 2016 until today, he has been GROUP CFO & Acting Group CEO at the Aldahra Group of the United Arab Emirates, where, among other things, he has handled important land acquisitions in Europe and the USA, the conclusion of the largest agricultural land deal in the EU (2018), the execution of a merger at pan-European level, the application of forecasting methodology, the strategic planning of a 5-year development plan and the application of zero base budgeting and transfer pricing methodologies. Between 2009-2016 he served as CFO at Heinz Africa, Middle East & Turkey, CEO at Heinz Pakistan and President of Heinz Nigeria and Pakistan, with notable achievements handling, from a financial perspective, the corporate transformation of Heinz in Africa, the Middle East and Turkey, the significant improvement of a series of procedures (financial, tax, audit, risk management, etc.), the merger of Kraft - Heinz in Africa and the Middle East and the expansion of business activities in Nigeria, with the development of a new business model with high profits from the first year.

The aforementioned long experience and international exposition of Gianluca Fabbri is considered valuable for the goals of the business activity of the Company. It is determined also for him that his has every necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

**Konstantinos Macheras, Member of the Board of Directors, Independent Non-Executive member of the Board of Directors**

Konstantinos Macheras, Chairman of IELKA, was born in Athens, Greece in 1953. He is married and has one daughter. He studied Business Administration at the University of Piraeus and he obtained a degree in MBA from the Roosevelt University of Chicago in U.S.A. (Business Administration & Marketing). He speaks English, Italian and Dutch. He started his professional career in the Retailing area in the USA, as a Purchasing Manager in the Quality Super Market company at Chicago. He had been a dynamic executive for over 14 years in the Mars Inc., since 1982 in Holland- Marketing-Sales-Export Sales- as well as General Manager in Greece and Italy. He had also served as General Manager of Chipita International (1996-97). Konstantinos Macheras was Executive Vice President of Delhaize Group & CEO of Southeastern Europe and Indonesia for 19 years. He was a member of the Board of Directors at EASE (Association of Greek Executive Officers), SEET (Association of Greek Food Enterprises), EEDE (Hellenic Management Association) and since 1999 President of IELKA (Research Institute of Retail Consumer Goods), NED (non-executive directors club) and member of the "Future Leaders Development Program" in Greece. Today he is member of the Board at IOBE (Foundation

for Economic and Industrial Research) Lion and Turtle and Future Leaders. In 2005 he was named Officer in the order of King Leopold II by the King of Belgium Albert II. In April 2009 Konstantinos Macheras was nominated "Manager of the Year 2008" by the Hellenic Management Association. In 2009 was also nominated as "Retailer of the year" and in 2010 as the first CEO on CSR issues. In 2010 he was also awarded as the "Retailer of the decade". In 2016 was nominated as the Leader of the year in Romania and awarded with EXCELLENCE AWARD in Greece.

The aforementioned long academic and professional activity of Mr. Macheras justifies his election as member of the BoD while it is determined also for him that his has every necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

It is also determined that Mr. Macheras is independent, in the meaning of the article 9 of the Law 4706/2020, having no relations of dependency as defined in the same article.

**Georgios Taniskidis, Member of the Board of Directors, Independent Non-Executive member of the Board of Directors**

Having 30 years of experience in the Banking Sector, Mr. George Taniskidis holds the position of Optima bank's Chairman, since July 2019. He commenced his career as an associate attorney with the law firm of Rogers & Wells in New York. Upon his return to Greece, he joined Motor Oil Hellas. His banking career commenced in 1990, in Xiosbank, as Head of the Consumer Business Group and Branch Network. Upon Xiosbank's acquisition (late 1998) by Piraeus Bank, Mr. Taniskidis was named General Manager and served on the Strategic Planning Committee.

From 2002 until June 2010, as Chairman and Managing Director of Millennium Bank Greece, Mr. Taniskidis led the Bank from concept to fruition. It has to be stated that Millennium Bank achieved its goals three years earlier than expected. In the same period, he led the acquisition of a banking institution in Turkey which was then renamed to Millennium Bank Turkey. He subsequently served as a Member of its Board of Directors. He later served as the interim Managing Director of Proton Bank during the transition period from late July until October 2011, when he successfully maintained the bank's liquidity and access to markets during the tumultuous period prior to its split into "good bank" and "bad bank" entities. From 2003 to 2005, he was a Member of the Board of Directors of Visa International Europe. For many years he has served as a Member of the Board of Directors of the Hellenic Banks Association. He currently serves on the Boards of Directors in a variety of major companies in the trading, manufacturing, and shipping sectors (such as Loulis Food Ingredients – listed on ATHEX, EuroDry Ltd – listed on NASDAQ, Euroseas Ltd – listed on NASDAQ). Furthermore, Mr. Taniskidis since June 2002, is a very active member of the YPO global leadership community. He has served on the Regional Board Europe for eight consecutive years and was the Chairman of the Executive Committee of the European Regional Conference held in Athens, Greece in 2016. He played a pivotal role in the acquisition of Marfin Bank Romania (currently VISTA BANK). He also envisaged the opportunity to create a bank without legacies in Greece. He pursued this goal fervently and finally, he acquired Investment Bank of Greece (currently Optima bank). Optima bank within three years has managed to produce

outstanding results and has become a reference bank in the Greek banking system. In 2022 Optima bank more than tripled its recurrent results of 2021 and in 2023 will have its Initial Public Offering in the Athens Stock Exchange. Mr. Taniskidis holds a Law degree from the University of Athens Law School, having graduated first in his class, and a Master of Laws (LL.M.) from the University of Pennsylvania Law School.

The aforementioned successful carrer and training justifies Mr. Taniskidis's election as a member of the Company's BoD. It is determined also for him that his has every necessary qualification required by the Suitability Policy of the Company, i.e. – professional training, experience, sufficiency of knowledge and skills, guaranteed morality and reputation, independence of judgment, no conflict of interests and time commitment.

It is also determined that Mr. Taniskidis is independent, in the meaning of the article 9 of the Law 4706/2020, having no relations of dependency as defined in the same article.

The independent non-executive members of the BoD meet the independence criteria of art. 9 of L.4706/2020 from the date of their election i.e. 22.06.2022. The Nomination & Remuneration Committee at its meeting on 12.04.2023 examined and verified again the compliance with the independence requirement of its independent non-executive members.

**Suitability Policy of the members of the Board Of Directors**

The aforementioned composition of the BoD is in accordance with the Suitability Policy of the Board of Directors pursuant to the provisions of article 3 of law 4706/2020 and Circular no. 60 "Guidelines on the Suitability Policy of article 3 of Law 4706/2020" of the Hellenic Capital Market Commission, was approved by the decision of the BoD at 10.5.2021 and subsequently by the decision of the Ordinary General Meeting of the Company's shareholders on 1.6.2021. Subsequently, it was amended by decision of the BoD dated 1-6-2022 (following the proposal of the Remuneration and Nomination Committee dated 25-5-2022) and afterwards by the decision of the General Meeting of the Company's Shareholders in order to better adapt to the Hellenic Corporate Governance Code of HCGC as adopted by the Company.

The Suitability Policy aims to ensure qualitative staffing, efficient operation and fulfillment of the BoD's role based on the overall strategy and the short-term and long-term business goals of the Company, in order to serve corporate interests. The BoD monitors on an ongoing basis the suitability of its members and in cases in which it is deemed necessary and according to the applicable law and the Suitability Policy re-evaluates their suitability and when appropriate takes action for their preplacement. The Company's Policy and Diversity criteria are incorporated into the Suitability Policy.

This Suitability Policy is available at the Company's website (https://www.loulis.com).

**Convening of the Board of Directors**

During 2022, seventeen (17) meetings of the Board of Directors took place in total.

The following tale presents the participations of the members of the BoD in the meetings, either with natural presence or via teleconference that took place during 2022:

| NAME | STATUS | PARTICIPATION IN MEETINGS | COMMENTS |
|---|---|---|---|
| Nikolaos Loulis | Chairman of the BoD, Executive Member of the BoD | 17/17 | |
| Elisavet Kapelanou-Alexandri | Vice-Chairman of the BoD, Independent, Non-Executive Member of the BoD | 17/17 | |
| Nikolaos Fotopoulos | Chief Executive Officer – Executive member of the BoD | 17/17 | |
| Spyridon Theodoropoulos | Member of the BoD, Non-Executive Member of the BoD | 7/10 | Commencement of term 22.06.2022 |
| Gianluca Fabbri | Member of the BoD, Non-Executive Member of the BoD | 7/10 | Commencement of term 22.06.2022 |
| Konstantinos Macheras | Member of the BoD, Independent, Non-Executive Member of the BoD | 10/10<br>(At the meeting 1868/11-10-2022 participated through delegation) | Commencement of term 22.06.2022 |
| Georgios Taniskidis | Member of the BoD, Independent, Non-Executive Member of the BoD | 15/17<br>(At the meeting 1868/11-10-2022 participated through delegation) | |
| Georgios Mourelatos | Member of the BoD, Executive Member of the BoD (from 1-6-2021 until 22-6-2022) | 7/7 | End of term 22.6.2022 |
| Khedaim Abdulla Saeed Faris Alderei | Member of the BoD, Non-Executive Member of the BoD (from 1-6-2021 until 22-6-2022) | 5/7 | End of term 22.6.2022 |
| Andreas Koutoupis | Member of the BoD, Independent, Non-Executive Member of the BoD (from 1-6- | 5/7 | End of term 22.6.2022 |

| | | | |
|---|---|---|---|
| | 2021 until 22-6-2022) | | |

The main issues discussed in the meetings of the BoD during 2022, according to the adopted meeting calendar are the following:

- Financial Statements approval
- Approval of Regulations and Policies in the context of compliance with the new law regarding corporate governance.
- Approval of Remuneration Policy and Remuneration Report
- Issues related to subsidiaries
- Bond loans
- Approval of the Internal Audit Department plan
- Forming into body of the new BoD, defining the responsibilities and signing rights.
- Appointment of the Nomination & Remuneration Committee
- Preparation of succession plan for both BoD Members and senior management.
- Evaluation of the BoD members

**Evaluation of the BoD members and BoD Committees.**

The BoD has adopted, upon proposal of the Nomination & Remuneration Committee, which defined the evaluation criteria, an evaluation process of the members in order to ensure the sufficient operation of the BoD and the fulfillment of its role as the supreme management body of the company, responsible for setting the strategy and supervising the management and sufficient audit. The evaluation procedures and their implementation frequency aim at early detection of issues that may need improvement, sufficient information and taking action so as the effective operation of the BoD is ensured.

The BoD members are being evaluated annually: (a) collectively, taking into account the composition, diversity and the effective cooperation of the BoD members for the fulfillment of their duties and (b) individually, assessing the contribution of each member to the successful operation of the BoD, taking into account the status of the member (executive, non-executive, independent), its participation in committees, assigning of special responsibilities / projects, time dedicated, behavior as well as utilization of knowledge and experience.

Moreover, the effectiveness of each BoD committee is being evaluated annually on the initiative of the Chairman of each committee regarding the contribution of the committee in supporting the BoD and a relevant report is prepared for each committee. The criteria for the evaluation of the committees are those referred above on proportion with the duties of each committee. The evaluation process is carried out in the form of questionnaires and interviews as well as examination of their actions as recorded in the minutes of their meetings.

Moreover, through the evaluation of the effectiveness of the BoD committees i.e. Audit Committee and Nomination & Remuneration Committee their contribution and constructive support to the BoD is assessed.

The annual evaluation of the BoD, Audit Committee and Nomination & Remuneration Committee concluded that the members of the BoD, Audit Committee and Nomination & Remuneration Committee meet the aforementioned criteria of individual and collective suitability, have sufficient knowledge and skills, guaranteed morality and reputation, independence of judgment and time commitment.

In particular, an annual evaluation of the operation of the BoD and of its Committees as collective bodies has been carried out as well as evaluation of the individual and collective suitability of the BoD members and of its Committees in accordance wit the procedure mentioned above. In the context of that evaluation:

- The operation of the BoD and of its Committees, as collective bodies, has been considered satisfactory.
- It was found that the members of the BoD and of its Committees meet the criteria of the Company's Suitability Policy individually and collectively.
- It was found that the guarantees of morality and reputation, independence of judgment and time commitment are met, taking into account the quality and the skills assigned to each member as well as their other professional or individual commitments and conditions.
- It was found that each member of the BoD and of its Committees have sufficient knowledge and skills for the execution of their tasks required by their role and status.
- It was found that all the members of the Audit Committee have sufficient knowledge of the Company's business activity while most of them have sufficient knowledge and experience on auditing or accounting.
- All the members of the Nomination & Remuneration Committee have the necessary knowledge and experience in corporate remuneration as well as in selecting candidates for staffing positions of high responsibility and authority.
- The collective suitability of the BoD members and of its Committees has been assessed satisfactory. It was found that the BoD members are able to take proper decisions taking into account the business model, the ability to take risks, the strategy and the markets in which the Company is active while the members cover all the areas of knowledge required for the Company's business activities.
- The composition of the BoD reflects the knowledge, skills and experience required for exercising of the Company's business activity, strategic plan, financial reports, risk identification and risk management.
- The Company has adequate gender representation 25% of the total number of members of the BoD and in general ensures equal treatment and equal opportunities between the sexes within the BoD and its Committees as well as within higher and highest hierarchical positions. Moreover, apart from the gender diversity it was found that the Company offers equal hiring and career opportunities and does not perform discriminations or exclusions due to race, color, ethnic or social origin, religion or conviction, financial status, birth, disability, age or sexual orientation. In this context, it was found that the Diversity Policy of the Company has been implemented satisfactory.

- The presence and participation of the BoD members in the meetings has been assessed satisfactory.

**Chairman of the BoD (Executive member)**

The role od the BoD Chairman consists of the organization and coordination of BoD work. The Chairman chairs the BoD and is responsible for the overall efficient and effective operation and organization of its meetings. At the same time, he promotes a culture of openmindedness and constructive dialogue in the conduct of its work, facilitates and promotes the establishment of good and constructive relations between the members of the BoD and the effective contribution to the work of the BoD of all non-executive members, ensuring timely, complete and corect information to its members.

The Chairman ensures that the BoD as a whole has a satisfactory understanding of the views of the shareholders. The Chairman of the BoD ensures the effective communication with the shareholders with a view to the fair and equal treatment of their interest and the development of a constructive dialogue with them, in order to understand their positions.

The Chairman works closely with the Chief Executive Officer and the Corporate Secretary for the preparation of the BoD and the full information of its members.

When the BoD Chairman is absent or prevented from attending, is replaced, for the mentioned above non-executive responsibilities, by the independent non-executive Vice Chairman.

**Vice-Chairman of the BoD (Independent Non-Executive member)**

The independent non-executive Vice Chairman of the BoD is responsible, apart from the legal responsibilities, for the coordination and effective communication of the executive and non-executive members of the BoD. In this context, he may convene a special meeting of the executive and non-executive members quarterly, in order to be informed about Company's operations and current matters.

In addition, the non-executive Vice Chairman directs the evaluation of the Chairman of the BoD, which is conducted by the members of the BoD as well as chairs the meetings of the non-executive members of the BoD for the evaluation of its executive members. Finally, the non-executive Vice Chairman is obliged to be available and to attend the General Meetings of the Company's Shareholders, in order to inform and discuss the matters of Corporate Governance of the Company, if and when they arise.

**Chief Executive Officer (Executive member)**

The CEO sets the corporate strategy, the corporate identity, and the corporate long-term investment plan, monitors and controls the implementation of strategic goals of the Company and daily management of its affairs and draws up guidelines for the Company's executives who report and are supervised and guided by him. He supervises and ensures the smooth, orderly, and efficient operation of the Company, in accordance with the strategic objectives, business plans, policies adopted and the action plan, as determined by decisions of the BoD. He also supervises the corporate communication strategy, represents the Company in its contacts

and relations with external investors and financial institutions at the highest level and is responsible for the Company's Departments related to the strategic development as well as the general regulatory and financial issues of the Company.

The CEO for instance develops the annual corporate business plan and the annual budget, which are submitted to the BoD of the Company for approval. Prepares, in collaboration with the Executive Chairman and the BoD, the corporate organizational structure, its strategic goals and objectives and supervises and ensures their full implementation. Guides the Company towards the achievement of corporate goals and objectives, informs the BoD about all the essential issues that mainly concern strategic goals, corporate business activity as well as its marketing and promotion. Ensures the full compliance of corporate operation with current the legal and regulatory framework, assesses the risks and ensures that they are controlled, supervised, addressed and ultimately dealt and minimized, strengthens, advises, inspires and guides management's executives to demonstrate maximum efficiency, effectiveness and integrity in order to achieve the corporate goals, represents the Company and actively and continuously supports the Executive Chairman, in order the latter to develop and reach profitable business agreements, which will maximize the economic value of the company.

The CEO participates and reports to the BoD of the Company and implements the strategic choices and important decisions of the Company. He is also responsible for the operation, development, and performance of the Company.

**BoD Remuneration – Remuneration Report of the BoD pursuant to article 112. of Law 4548/2018**

The Remuneration Report for the BoD members regarding the remuneration paid within 2022, pursuant to article 112. of Law 4548/2018 and the Remuneration Policy of the BoD members, shall be submitted to the Ordinary General Meeting of the shareholders within 2023 for the approval of the financial results of the year 2022.

The Remuneration Policy and the Remuneration Report of the year 2021 are posted on the Company's following websites:

**Remuneration Policy**: https://www.loulis.com/en/investor-relations/corporate-governance/board-committees/remuneration-policy/

**Remuneration Report 2021**: https://www.loulis.com/en/investor-relations/corporate-governance/board-committees/remuneration-report/

**List of other professional commitments of the BoD members (including their professional obligations as non-executive members in other companies and non-profit institutions)**

| BoD MEMBER | POSITION/STATUS | LEGAL ENTITY |
|---|---|---|
| Nikolaos Loulis | Chairman of the BoD (until 30-12-2022) | KENFOOD SA |
| | Chairman of the BoD & CEO | GREEK BAKING SCHOOL SA |
| | Chairman of the BoD & CEO | LOULIS LOGISTICS SERVICES SA |
| | BoD member | LOULIS MEL-BULGARIA EAD |
| | BoD member | Evi's Goodness SA |
| | Chairman of the BoD | LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY" |
| Nikolaos Fotopoulos | BoD member | KENFOOD SA |
| | Vice-Chairman | LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY" |
| | Vice-Chairman of the BoD | GREEK BAKING SCHOOL SA |
| | Vice-Chairman of the BoD | LOULIS LOGISTICS SERVICES SA |
| | BoD member | LOULIS MEL-BULGARIA EAD |
| | BoD member | Evi's Goodness SA |
| | Vice-Chairman of the BoD & CEO | HEAVENWEST DEVELOPMENT SA |
| | BoD member | LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD |
| Gianluca Fabbri | BoD member | Al Dahra BayWa Agriculture LLC (United Arab Emirates) |
| | BoD member | Al Dahra Food SP LLC (United Arab Emirates) |
| | BoD member | Al Dahra Food Industries LLC (United Arab Emirates) |
| | BoD member | Al Dahra Global Forage LLC (United Arab Emirates) |

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|---|---|---|
| | BoD member | Al Dahra Agricultural Company USA Inc. (United States of America) |
| | BoD member | Al Dahra ACX Inc (United States of America) |
| | BoD member | Al Dahra Farms USA LLC (United States of America) |
| | BoD member | ACX Intermodal Inc (United States of America) |
| | BoD member | Hualapai Valley Farms LLC (United States of America) |
| | BoD member | Al Dahra ACX Mexico S. de R.L.de C.V. (Mexico) |
| | BoD member | Al Dahra ACX Mexico Servicos (Mexico) |
| | BoD member | Al Dahra Food India Limited (India) |
| | BoD member | Al Dahra Trading (Shanghai) Co Ltd (China) |
| | BoD member | Al Dahra Agriculture Spain SL (Spain) |
| | BoD member | Fagavi Canarias (Spain) |
| | BoD member | Agricost SA (Romania) |
| | BoD member | South East Europe Fertilizer Company SA (Romania) |
| | BoD member | Al Dahra Serbia D.O.O (Serbia) |
| Georgios Taniskidis | Chairman of the BoD | OPTIMA BANK SA |
| | Chairman of the BoD | OPTIMA FACTORS SA |
| | Chairman of the BoD | CORE CAPITAL PARTNERS SA |
| | Chairman of the BoD | IBG CAPITAL SA |
| | BoD member | EUROSEAS Ltd Trust Company Complex |
| | BoD member | EURODRY Ltd Trust Company Complex |
| | Chairman of the BoD | IBG INVESTMENTS S.A. |
| Spyridon Theodoropoulos | Chairman of the BoD – Executive member | PANAGIOTIS G. NIKAS SA |
| | Chairman | HELLENIC JUICES SA |

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|---|---|---|
| | Chairman & CEO | EUROHELLENIC SA |
| | Vice-Chairman | WONDERPLANT GREENHOUSES SA |
| | Διαχειριστής | EUROGRANT Single Member PC |
| | BoD member | LARISA FACE COVER SA |
| | BoD member | LAVDAS CANDIES SA |
| | Vice-Chairman | MEVGAL MACEDONIAN MILK INDUSTRY SA |
| | Chairman & CEO | BESPOKE SGA HOLDINGS SA |
| | Chairman & CEO | CHIPITA FOODS SA |
| | BoD member | S.A.G. INVST. & HOLDINGS LIMITED |
| | BoD member | CRYRED INVESTMENTS LIMITED |
| | BoD member | ION S.A. COCOA & CHOCOLATE MANUFACTURERS |
| | BoD member | KOTSIOPOULOI BROS SA |
| | BoD member | NAVIDOMO SERVICES LIMITED |
| | BoD member | CHPITA HOLDINGS LIMITED |
| | BoD member | GINENRISE INVESTMENTS LIMITED |
| | BoD member | CHIPITA INDIA CYPRUS LIMITED |
| | BoD member | CHIPITA GHANA CYPRUS LIMITED |
| | BoD member | EXODER LIMITED |
| | BoD member | BRITCHIP FOODS LIMITED |
| | BoD member | CHIPITA INDIA PRIVATE LIMITED |
| | Councillor of the General Council | BANK OF GREECE |
| | Vice-Chairman | SEB |

| | | |
|---|---|---|
| | SEB Representative – Not elected member | STHEB |
| | Member | IOBE |
| | Member | ELIAMEP |
| Konstantinos Macheras | BoD member | LION AND TURTLE SA |
| | Member | Foundation for Economic and Industrial Research IOVE |
| | Member | Future leaders non-profit organization |

**Corporate Secretary**

The BoD is supported by a corporate secretary in order to ensure compliance with internal procedures and policies, relevant laws, and regulations and for its effective and efficient operation. The corporate secretary is responsible, in consultation with the Chairman, for ensuring immediate, clear, and complete information of the BoD, inclusion of new members, planning of General Meetings, facilitation of shareholders' communication with the BoD and facilitation of communication of the BoD with senior management.
The corporate secretary of the BoD is Mrs. Irini Papakostopoulou, Lawyer at the Supreme Court and member of the Athens Bar Association since 1998. She is the Head of the Legal Department of the company "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") since 1999 with expertise, among others, in corporate law and corporate governance.

**CVs of the Senior Executives of the Company**

Brief CVs of the executives follow:

**Nikolaos Fotopoulos, Chief Financial Officer – CEO**

His CV is set out above.

**Nikolaos Loulis, Head of Human Resources Department – Chairman of the BoD.**

His CV is set out above.

**Dimitrios Tarnaras, Deputy CEO**

He has born in Athens, in 1990. He holds two BSc in Business Administration of American College of Greece and Open British University and M.Sc. in organizational psychology at University of Leicester and Master's degree in Economics at Harvard USA. He has served in various posts in multinational companies while in recent years he is working in "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA"), where he has served in various positions such as Project Manager, Business Development Manager, International Markets

Manager, Head of Human Resources and CEO of «Loulis Mel – Bulgaria EAD». Since February 2021, he serves as deputy CEO of the Group and from 30.12.2022 he has been elected as Chairman of "KENFOOD SA".

**Anastasios Thanos, Purchasing & Logistics Director**

He has born in Volos, in 1988. He holds BSc in Accounting at ATEI of Larissa (Business Administrations and Economics Department) and MSc in Applied Economics at University of Thessaly (Economic Sciences Department). Since 13.05.2013 he has been working in "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA"), his initial post had to with Invoicing, Routing and Cash Department and subsequently he continued providing his services in the newly established Routing Department of the Company. On July 2016 he was appointed as Logistics Manager being responsible for the company's routing fleet and logistics centers (Attica and N. Greece) and in 2021 he took over the Logistics Management of all the logistics centers and transportation system of the Group and finally since early 2022 he is Purchasing Director in the new unified department of Purchasing & Logistics.

**Leonidas Kozanitis, Sourpi Plant Manager**

He has born in Volos, in 1965. He graduated from University of Patras, Chemistry Department and from Swiss Milling School SMS. He holds MBA from the Hellenic Management Association. He has participated in educational seminars abroad (INTERNATIONAL SCHOOL FOR BREAD OF LUZERN, BUHLER UZWIL, MUHLENCHEMIE etc.) and in Greece (HMA, TUV, GREEK CHEMISTS ASSOCIATION, IVEOE, UNIVERSITY OF THESSALY etc.). Since 1989 he has been working at "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") and has participated in planning and construction of several plants of the Company in Greece and abroad.

**Andreas Tselos, Quality Manager & Keratsini Plant Manager**

He has born in Piraeus, in 1972. He has been working at "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") since 1996. He holds degree of Technical Engineer with expertise in Cereal processing (1990-1994 Germany - DMSB). He has professional experience, since 1996, in Flour-industry at the industrial plants of LOULIS FOOD INGREDIENTS Group in Greece and abroad having been assigned with the following duties: panning and supervising of Production projects and Quality Control as well as Quality Assurance. Today, he is the Plant Manager of Keratsini plant (2000), Quality Assurance Director as well as Technical Director of the projects abroad (2013).

**Olga Manou, Manager of Corporate Social Responsibility & Communication**

She has born in Athens, in 1962. She graduated from Pierce College in 1980. She has been working at "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") from October 1980 since April 1990. Subsequently, she has worked at GRAFI S.A. of which she was a shareholder. GRAFI S.A. was the largest store of books and paper products of Volos and, as a publisher, she was the General Director of the newspaper THESSALIA. Since 1996 and onwards she has been working at "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") as Public Relations Manager. Since 2013 she is Manager of Corporate Social Responsibility & Communication as well as Manager of Loulis Museum.

**Dionisios Kasotakis, Manager of B2C Sales**

He has born in Athens, in 1981. He studied Economic Sciences at the National and Kapodistrian University of Athens with expertise in Finance and International Trade. He holds MSc in International Marketing Management at University of Surrey of England and he also holds MBA from the Hellenic Open University. He has worked in positions concerning sales and marketing in large multinational and Greek companies. He has been working at "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") since 2000 and today he is the Manager of Consumer Sales of the Company.

**Evaggelos Telegkas, Manager of B2B Sales**

He has born in Volos, in 1963. He has graduated from Accounting School and has participated in seminars on sales administration, human resources management and public relations. His engagement with the company "LOULIS FOOD INGREDIENTS SA" (former "LOULIS MILLS SA") started on 1986. For the period 1991 – 1996 he has been General Director of GRAFI S.A., owned by Loulis family. Subsequently, he has been General Manager of Karditsa plant (1996 - 1997) and afterwards General Director of the company "MOARA LOULIS SA» in Bucharest of Romania (1997 – 1999). In 1999, after the absorption of SAINT GEORGE MILLS S.A., he served as assistant of the CEO Mr. Fotopoulos. Since 2001 and onwards he is the Manager of B2B Sales for Greece.

**Information regarding the number of shares of the Company owned by BoD members and Senior Management.**

The following table presents the number of shares of the Company owned by BoD members and Senior Management at 31.12.2022:

| NAME | STATUS | NUMBER OF SHARES |
|---|---|---|
| Nikolaos Loulis | Chairman of the BoD, Executive Member of the BoD | 8.298.125 |
| Nikolaos Fotopoulos | CEO, Executive Member of the BoD | 23.392 |
| Leonidas Kozanitis | Sourpi Plant Manager | 1.600 |
| Dionisios Kasotakis | Manager of B2C Sales | 770 |

**Description of the diversity policy applied regarding the administrative, managing and supervising bodies of the Company**

The Company provides equal opportunities to all of its employees, at all levels of hierarchy and avoids discriminations of any kind. The same diversity and equality policy is applied for the administrative, managing and supervising bodies in an effort to promote an environment of equality free of discriminations.

Management and employees are evaluated on the basis of their professional background, knowledge of the Company's objectives as well as their leadership skills, experience and performance. Evaluation results are free of any discrimination.

Within the BoD, the Committees of the Company as well as senior management of the Company the maximum possible diversity is pursued regarding, sex, age and educational and professional background of the members. The aim is pluralism of opinions, skills, knowledge and experience that correspond to the corporate objectives. The adoption and implementation of that policy results in a working environment free of discriminations and prejudices.

The diversity criteria of the BoD are included in the Company's Suitability Policy as well.

**Committees of the Board of Directors**

**Audit Committee**

The Audit Committee consists of three (3) independent members and operates according to article 44 of Law 4449/2017 as amended by article 74 of Law 4706/2020, articles 10, 15 and 16 of Law 4706/2020 and 537/2014 EU Regulation, the Hellenic Corporate Governance Code as voluntarily adopted by the Company and the Operating Rules of the Company.

The Audit Committee operates aiming at supporting the BoD of the Company for the effective fulfillment of its duties regarding financial information, supervising of the internal control system and the statutory audit of the Company.

The main responsibilities of the Audit Committee are, among others, monitoring of the financial reporting process and making recommendations or proposals to ensure its integrity, monitoring of the effectiveness of the internal control systems, risk management and internal control system of the Company and monitoring of the statutory audit of the annual and consolidated annual financial statements.

The operation principles and duties of the Committee are described in detail on the website of the Company https://www.loulis.com.

The Audit Committee of the Company, as appointed by the Ordinary General Meeting of the Company's shareholders on 22.06.2022 is a three (3) member independent joint committee in accordance with article 44 par. 1(a)(ab) L. 4449/2017, consisting of one (1) independent non-executive members of the BoD and two (2) independent third parties non-memebers of the BoD with four year term, which is equal to the term of the BoD, i.e. 22.06.2026.

The members of the Audit Committee are the following:

| | |
|---|---|
| Andreas Koutoupis | Chairman of the Audit Committee, Independent third party, Non- Member of the BoD |
| Elisavet Kapelanou – Alexandri | Member of the Audit Committee, Independent Non-Executive Member of the BoD |

| | |
|---|---|
| Konstantinos Kontochristopoulos | Member of the Audit Committee, Non-member of the BoD |

The Chairman of the Audit Committee, Mr. Koutoupis Andreas, meets the independence requirements of article 9 of the Law 4706/2020 and has sufficient knowledge of the Company's activity, having already been member of the BoD of the Company from June 2017 until June 22, 2022 as well as Chairman of the Audit Committee, he has proven sufficient knowledge in accounting and auditing (international standards).

The detailed CV of Mr. Koutoupis follows and has been posted on the website of the Company https://www.loulis.com.

Dr. Andreas Koutoupis is a Chartered and Certified Internal Auditor, founder and Chairman of KnR Governance, Risk, Compliance & Internal Audit Services with the main object of Providing Internal Audit Services and the Training of Business Executives. He served as a Director, Head of Mazars - Greece Governance, Risk & Internal Audit Services for more than ten years. He also served as a Senior Manager within the Internal Audit Services department of PricewaterhouseCoopers – Greece for more than ten years. In 2005, he received the Michael J. Barett award by the International Institute of Internal Auditors and by the Italian Institute of Internal Auditors in 2006 for his PhD in Corporate Governance and Internal Audit, and has received numerous scholarships and awards for his academic and professional activity.

The member of the Committee Mrs. Elisavet Kapelanou – Alexandri meets the independence requirements of article 9 of the Law 4706/2020 and has sufficient knowledge in the Company's field of activity. In particular, Mrs. Kapelanou-Alexandri has long experience in the fields of production sectors and distribution of consuming products, goods and services. For more than 35 years she is specialist in Commercial Law, Tax Law and Labor Law having been legal advisor to many companies (listed and non-listed) with successful management of cases from many different sectors. Moreover, she has been involved with the Internal Control of companies in which she has been their legal advisor.

The detailed CV of Mrs. Elisavet Kapelanou – Alexandri is set out above, pages 18 and 19, and has been posted on the website of the Company https://www.loulis.com.

The member of the Audit Committee, Mr. Konstantinos Kontochristopoulos, meets the independence requirements of article 9 of the Law 4706/2020 and has sufficient knowledge of the Company's activity, having already been member of the Audit Committee since July 2019 and has sufficient knowledge in accounting and auditing.

The detailed CV of Mr. Kontochristopoulos follows and has been posted on the website of the Company https://www.loulis.com.

Konstantinos Kontochristopoulos is a Finance professional and was born in 1977 in Athens. After completing his studies in Finance and Accounting at the American College of Greece, he went on to postgraduate studies at Brunel University in London in Finance and Investment, while he also holds an Executive MBA from the University of Kent. He has served for a number of years, i.e. from 2004 to 2010, as the Deputy Executive Director at Loulis Food Ingredients SA in Greece and Bulgaria, Finance Director at Schur Flexibles ABR SA member of the Austrian Group Schur Flexibles Group, Finance Director at Dunapack Viokyt Packaging SA

member of the Austrian Prinzhorn Group, where he was also a Member of the Board of the Association of Industries of Thessaly and Central Greece, while now he is Group Controller of the Austrian Group Schur Flexibles Group, which owns 24 factories in 11 European countries.

During 2022 the Audit Committee dealt, among others, with the following: information about the Audits of the Internal Auditor (February 2022/audit A' quarter, June 2022/audit B' quarter, October 2022/audit C' quarter, December 2022/audit D' quarter), approval of the Internal Auditor's annual plan (December 2022), information from the Certified Public Accountants about the Company's audit and the financial statements on a regular basis (February 2022, April 2022, July 2022 and December 2022), proposal to the BoD for the approval of the Annual Financial Statements 2021 (April 2022) and interim financial statements 2022 (September 2022), annual evaluation of the Audit Committee members (December 2022), monitoring of the internal control system of the Company (June 2022). The Audit Committee convened eleven (11) times during 2022 with presence of all its members (i.e. participation rate 100%). The Audit Committee, in the context of its operation, examined its performance and found that the maximum effectiveness of its operation is ensured since the Committee fully performed its duties and carried out timely and adequately all the works assigned.

The BoD, during 2022, in the context of the conducted overall annual evaluation and upon the re-election of the Audit Committee on June 22, 2022, reexamined and verified that the independence requirements of all the members of the Audit Committee are still met.

**Audit Committee 2022 Annual Report**

**1. Introduction**

The purpose of this report is to inform the General Meeting of Shareholders about the actions of the Audit Committee during the period 01/01/2022 - 12/31/2022.

**2. Scope**

The main purpose of the Audit Committee is to assist by providing support to the Board of Directors and assurance to shareholders by creating the conditions for an effective Corporate Governance system, which includes an efficient internal control system with the operation of the internal audit, risk management and compliance unit.

The Committee in particular:

a) informs the Board of Directors about the result of the statutory audit,

b) monitors the financial reporting process,

c) monitors the effectiveness of the internal control system,

d) monitors the statutory audit of the annual and consolidated financial statements,

e) supervises and monitors the independence of certified public accountants or audit firms,

f) is responsible for the selection process of certified public accountants or auditing firms.

The responsibilities and duties of the Audit Committee are defined in paragraph 3 of article 44 of Law 4449/2017, as well as by the decisions of the Capital Market Commission and are thoroughly described in the Audit Committee Charter, which is posted on the company's website.

## 3. Members and Term

The company's audit committee is an independent committee, which consists of a non-executive member of the Board of Directors and third part members. Specifically, the chairman of the Audit Committee is Mr. Andreas Koutoupis, an independent member, not a member of the Board of Directors and the other two members of the Audit Committee are Mrs. Elisavet Kapelanou-Alexandri, independent non-executive vice-chairwoman of the Board of Directors and Mr. Konstantinos Kontochristopoulos, an independent member, non-member of the Board of Directors.

The Audit Committee met 11 times during 2022 and during the meetings of the Committee all its members were present, while all decisions were taken unanimously. Minutes were kept for each meeting, which were signed by all members of the Audit Committee. We note that, in addition to the meetings, the members of the Audit Committee are in regular contact with each other, with the Company's statutory auditor, with the Company's internal auditor and in general with its management, in the context of the performance of their duties in accordance with the Regulation (EU) 537/2014, article 44 of law 4449/2017, decision 1302/2017 of the Capital Market Commission and in general the current legislation.

## 4. Audit Committee Meetings

During its meetings, the Audit Committee briefly dealt with the following:

### 4.1 Statutory Audit

- Reviewed and examined the process of carrying out the statutory audit of the annual financial statements of the Company and the Group for the year 2021 and the review of the first half of 2022, as well as the content of the statutory auditor's reports, while meeting with its statutory auditor before the beginning of the audit procedures in order to be informed and examine the audit plan of the external auditors, as well as after the completion of the audit and before the publication of the financial statements of the company and the consolidated statements to discuss any findings.

- Examined the audit design, timing, audit approach, audit scope, material size determination method, significant audit matters, key audit matters and risks that could have an impact on the audit process financial information and informed the Company's Board of Directors about the result of the statutory audit.

- Confirmed the independence of the statutory auditor. The audit firm BDO declared in writing its independence, as well as the independence of its executives involved in the statutory audit.

- Confirmed that the conditions for changing the certified public accountant for the regular audit of the financial year were not met and proposed the re-election of the audit firm BDO.

• Reviewed all the fees of the external auditors for the audit work, carried out and confirmed compliance with the provisions of European Regulation 537/2014. No non-audit work was performed by BDO.

### 4.2 Financial information

- Reviewed and evaluated the Financial Information drafting process followed by the Company when issuing the annual and six-monthly financial statements and informed the Board of Directors accordingly.
- Reviewed the published information regarding the Company's main risks and uncertainties in relation to financial information.
- Held meetings with the financial managers of Group companies, the internal audit manager, the IT manager and other executives of the Company and was informed about important issues, such as the work plan of the IT department, the pending legal cases of the Group and related forecasts.
- Recommended to the Board of Directors, the half-yearly and annual financial statements based on the results of the audit work of the external auditors, the internal audit manager and the above meetings.

### 4.3 Internal Control System

- Studied and approved the annual internal audit plan, designed on the main risks faced by the Group's companies.
- Worked with the Internal Auditor and monitored the implementation of the annual audit plan, through the quarterly reports of the Internal Audit department.
- Reviewed and evaluated the work of the Internal Audit Unit in terms of the adequacy and effectiveness of the audit carried out, was informed of all audits carried out within the period under review, their findings, corrective actions agreed with senior management and informed the Board of Directors about this, while also monitoring the implementation of the corrective actions of the internal audit findings.
- Evaluated methods used by the Company to identify and monitor the company's key risks.
- Monitored the Company's compliance process with the requirements of the Corporate Governance Law 4706/2020 through the work of the Internal Audit Unit as well as meetings with the relevant executives of the Group and the executives who dealt with the specific project.
- Monitored compliance with applicable laws and regulations, including internal corporate policies.
- Evaluated the bids of the companies that submitted a bid for the evaluation of the internal control system based on the respective policy and chose the most appropriate bid, which met both qualitative and financial criteria.
- Confirmed the independence of the auditor for the evaluation of the company's internal control system. The auditing company SOL declared in writing its independence, as well as the independence of its executives involved in the respective audit.

### 4.4 Bylaws

The company's Bylaws were updated, and the audit committee examined and approved the revision of the Company's Bylaws in accordance with minutes 83/26.12.2022, while a summary of the Regulations is also available on the corporate website.

### 4.5 Sustainable Development Policy

The Company, emphasizing its sincere commitment to the principles of Corporate Responsibility and Sustainable Development, drafted a Sustainability Policy approved by the Board of Directors. The policy covers all activities of the Company and the Group and binds the Company and all its subsidiaries.

The Company reference to the Sustainability Policy that it implements, seeks over time to create value for those involved with the company, i.e., shareholders, members of the Board of Directors, Executives, other employees, customers, suppliers, Banks, the Public, society and other social groups that interact with the company.

To achieve this goal, the company places particular emphasis on, among other things, the training and development of human resources, health, and safety at work, as well as the protection of the environment, following the principles of sustainable operation and development.

The Sustainability Policy of the Company reflects the approach and commitment of the Management to the issues of sustainable development and responsible operation. Responsible operation is a continuous commitment to substantial management, to generate value for all involved with the company that meets the modern needs of society and contributes to its overall prosperity. The company has a specific strategy, which focuses on the important issues related to its activity and seeks its continuous responsible development, focusing on the critical pillars of ESG business responsibility, namely, Environment, Society, Governance. Sustainability Policy is an integral part of the Company's business practice model and culture. In the context of the implementation of Sustainability Policy, the Company develops activities, among others, in the following areas:

**a) Health and safety of employees and products produced.**

The Company has set as a non-negotiable priority and primary concern about the protection of health and safety of its staff. In the context of implementing this priority, the Company has established every best international practice that contributes to the strengthening and improvement of the safety culture and the achievement of the goal for "zero accidents" and at the same time organizes training programs, both about understanding of the risks in the production process and to cultivate a common sense and safety behavior among employees.

Promoting the protection of health, the Company treats the current situation, regarding the COVID-19 pandemic, with due seriousness, aiming at the health and safety of the employees.

Regarding its products, the company has adopted the following policies to ensure the health and safety of its products in the framework of the Product Excellence strategy:

• Quality Policy

• Food Safety Management Policy

**b) Training and development of human resources**

The Company recognizes the decisive contribution of the staff in its successful business path so far. Great experience, high specialization, know-how and creativity of the staff support the course of the Company to a stable, dynamic, and continuous development. The Company poses great importance to the objective evaluation of the staff, to the emergence and development of talents, as well as to its continuous training, designing, and implementing high value-added training programs, which are based on structured methodology, selected subjects and training materials that meet specific needs and cover a wide range of knowledge fields. The Company encourages professional development and utilizes the knowledge and skills of the staff, while in the culture of the company there is a tendency to fill vacancies with internal movements. In the year 2022, educational programs were implemented giving the opportunity to participants to take part and reap the benefits of learning provided by highly qualified trainers. Some of these programs were implemented on a recurring basis.

The Company, wanting to embrace and accept diversity has signed the Diversity Charter as part of its commitment to its promotion, supporting its long-term effort to be a fair employer, giving equal opportunities to all, without discrimination. Equality and same treatment of all employees is a nonnegotiable priority.

**c) Social responsibility**

The Company seeks the sustainability of the local community and for this reason maintains a bilateral, continuous cooperation with it. The Company derives a significant part of its needs in human resources and suppliers from the local community in which it operates. Of the total workforce, a significant percentage comes from workers from local communities, thus contributing to the local and national economy.

The company's social contribution initiatives include supporting vulnerable groups, where the company provided support to 244 non-governmental organizations by providing more than 100 tons of flour, responding to emergencies by providing 20 tons of flour to people affected by the war in Ukraine, the voluntary blood donations at the Company's premises, donations to charitable institutions, the support of 40 baking schools with the sponsorship of more than 17 tons of flour for their educational needs, the support for the "Alliance for the Reduction of Food Waste" in collaboration with non-profit organization "We can" and other initiatives that promote common values for progress, development and social contribution, such as the enrichment of the new educational programs at the corporate "Loulis Museum".

**d) Environment protection**

Environment protection is a key element of the corporate Sustainability Policy and is a key pillar of its business strategy, which adapts to the ever-changing international business environment. Environmental awareness is expressed through the adoption of an Environmental Management Policy to protect the environment from its operation and targeted environmental protection investments and systematic and daily practices, which

combine responsible environmental management with the effort to continuously reduce the environmental impact. In the context of environmental protection, the Company implements the current legislation and the management of the environmental programs that it implements, is carried out through the Environmental Management System that is certified according to the international standard ISO 14001: 2015.

In particular, the company proceeded with:

- Planning of repressive measures to deal with problems and emergencies that may arise during Company's operation.
- Delimitation of measurable objectives and corresponding programs for the continuous improvement of the Company's environmental performance.
- Regular communication with all stakeholders - staff, suppliers, partners, local community, companies with the same, related, or complementary objective - on environmental issues that relate to the full range of Company's activities, to evaluate all relevant environmental data and raising public awareness on environmental management issues.

Also:

- Implements targeted environmental management programs (e.g. energy saving programs, actions and initiatives to reduce emissions, etc.).
- Seeks the rational use of raw materials and natural resources (e.g. rainwater, etc.) and implements a plan for the recycling of metals, equipment, electrical and electronic devices, paper and plastic packaging by certified collectors.
- Implements an integrated waste management system and achieves 100% recycling through certified waste management entities.
- Monitors developments in technology and regularly upgrades infrastructure of environmental interest:
  - Applying annual noise and dust measurements by a certified company.
  - Conducting emergency exercises, fire protection, decontamination.
  - With constant renewal and tree planting of the surrounding area in the production plants.
  - Achieving a significant reduction in water consumption in the last 40 years during the production process.
  - By disinfecting organic grain and flour in a controlled atmosphere, without the use of chemicals.
- Provides continuous training and awareness of employees on environmental issues.

In the year 2022, the installation of a 1MW power generation unit was completed at Sourpi plant for the needs of the mill and a new power generation installation has been planned about Thebes, Mandra and Sourpi for further energy savings. Photovoltaics is a technology for generating electricity from the sun, which is the best way to save energy and help reduce the environmental footprint.

The Company, following the new European directives, implemented in June 2022 the Carbon Footprint measurement based on the GHG Protocol, for all its facilities. The aim of the project is the formation and implementation of an appropriate methodological framework for the assessment of the Company's carbon footprint.

**e) Corporate governance**

The Company, recognizing the importance of corporate governance principles and the advantages deriving from their adoption, follows international best practices and international standards that apply in its areas of activity, to maximize the benefit for its shareholders and in general about all stakeholders and the society. As a listed company on the Athens Stock Exchange, it implements the current legislation on corporate governance.

To enhance corporate transparency and control mechanisms, effective management and optimal operational performance, the Company implements Internal Operating Rules and has adopted the Hellenic Corporate Governance Code issued in June 2021, by the Hellenic Corporate Governance Council.

In addition, the Code of Conduct, the Policy and Procedures for the Detection and Prevention of Conflict of Interest, the Whistleblowing Policy, the Anti-Corruption Policy and the Shareholder Policy and Procedure reflect its commitment and position on transparency, corruption and bribery and conflict of interest.

It is pointed out that to achieve the above-mentioned objectives of the Sustainability policy, the Company has established and operates the following Directorates - Departments and roles, which are fully staffed with sufficient and appropriate staff:

- Corporate Responsibility and Communication Directorate.
- Directorate of Human Resources.
- Quality Directorate.
- Department of Internal Audit.
- The role of Risk Management.
- The role of Regulatory Compliance

10/04/2023

The Audit Committee of the Company

**Nomination & Remuneration Committee**

The Nomination & Remuneration Committee supports the BoD regarding the nomination process and succession planning of the BoD and the remuneration scheme of Board Members and senior management of

the Company. The Committee is appointed by the BoD and consists of at least three (3) non-executive Board Members, two (2) of which at least must be independent non-executive. The independent non-executive members of the BoD are always the majority of the Committee's members.

The Nomination & Remuneration Committee of the Company was appointed on 22.06.2022 by the BoD of the Company and consists of the following members:

| | |
|---|---|
| Elisavet Kapelanou – Alexandri | Chairman of the Committee, Independent Non-Executive member of the BoD |
| Konstantinos Macheras | Member of the Committee, Independent Non-Executive member of the BoD |
| Georgios Taniskidis | Member of the Committee, Independent Non-Executive member of the BoD |

The tenure of the Committee coincides with the tenure of the BoD, i.e. until 22.06.2026.

The Nomination & Remuneration Committee convened five (5) times during 2022 with presence of all its members (i.e. participation rate 100%).

The Nomination & Remuneration Committee of the Company operates in accordance with its Charter which is posted on the Company's site https://www.loulis.com.

During 2021 Nomination & Remuneration Committee dealt with the followings: Proposal to the Company's BoD regarding the Remuneration Report for the year 1.1.2021 to 31.12.2021 (art. 112 L.4548/2018), proposal to the Company's BoD regarding the amendment of the Suitability Policy, proposal to the Company's BoD regarding the election of the new BoD – proposal of nominations to be elected as members of the BoD, proposal to the Company's BoD regarding the re-election on the Audit Committee members, supervision of the training program of the BoD members, senior management, internal auditor, risk management and regulatory compliance and information system managers, forming into a body, succession plan of CEO and evaluation of the Company's BoD. The Nomination & Remuneration Committee, in the context of its work, examined its performance and found that the maximum effectiveness of its operation is ensured since the Committee fully performed its duties and carried out timely and adequately all the works assigned.

**Sustainable Development Policy of the Company**

**Company's Vision**

Creating value for human nutrition.

**The Mission**

Production and distribution of innovative and competitive raw materials of high quality as well as providing

high-level services in the food market

With respect to the Company's tradition of 3 centuries, the commits itself to be a pioneer and develop with environmental and social responsibility, as well as to create value for its customers, employees, shareholders and the society

The Company targets at being the leader in the market of Southeast Europe and at the same time enforce its export orientation with environmental and social responsibility.

**Financial Improvement & Corporate Governance**

All companies should voluntarily integrate in their business activity and in the relationship with their business-partners social and environmental practices as they realize that responsible behavior leads to their sustainability and to sustainable business success.

In Loulis Food Ingredients a specific strategy of corporate responsibility and sustainable development is followed.

The Company identifies and manages the impact arising from its operation:

- On economy (market)
- On people
- On environment
- On society

and seeks to reduce the negative effect and increase the positive one.

The Company aims at achieving valid financial results, following the applicable legal framework regarding corporate governance. Evaluates the opportunities and manages business risks in an effort to ensure its continuous and smooth operation.

Moreover, the Company complies with all relevant laws aiming at carrying out its activities with total transparency and integrity taking into account its share of moral and regulatory obligations.

Priority of Loulis Food Ingredients SA is achieving strategic goals such as good competitiveness and corporate performance, through exclusively legal behavior. Based on the above, the Company does not encourage and does not tolerate illegal or immoral business activities.

The Company prepares the Sustainability Report in which the international standards of Sustainable Development are included.

**Relations with Third Parties**

Loulis Food Ingredients SA has adopted a customer-oriented approach of customer service aiming at meeting their best interests and the Company invests in research and development providing a wide range of products of high quality.

Moreover, the Company targets at creating added value for its customers not only through providing them with products of high quality but also supporting them with excellent and personalized services. In that way the Company reinforces its position in the continually developing business environment.

In addition, the Company expects the commitment of its suppliers and business-partners regarding their sound and responsible business behavior.

**Human Resources**

The protection of human rights as well as providing a healthy and safe working environment are Company's primary goals.

The Company respects and supports the internationally recognized human rights, through the adoption of policies of fair reward, merit and equal opportunities, free of discriminations for its entire personnel whereas ensures the development of its staff and the BoD members according to the training Policy of the Company.

The Company does not tolerate any kind of discrimination regarding, sex, religion, age, ethnicity, social background, disability, beliefs, sexual orientation or political views. These principles apply for hiring new staff, employees with contract and the professional development of the Company's staff. The only factors affecting decisions about employment is performance, experience, personality, effectiveness, skills, qualifications and character.

The Company and its subsidiaries are against any kind of forced labor. All the works performed within the Company should be of own willing and according to the applicable legislation.

The Company constantly ensures health and safety at all levels of its activity, including personnel, business-partners, customers and visitors. The Company strictly complies with the applicable legislation and fully applies all the appropriate standards, directives and procedures regarding health and safety.

**Environment**

Environmental management is one of the Company's priorities and in that context the Company applies the prevention principle and takes systematic actions aiming at minimizing as much as possible the environmental impact with the adoption of good environmental practices.

The operation of the Company and of its subsidiaries ensure the best management of natural resources, the promotion of a green culture to its personnel, the compliance with the applicable local and EU legislation as well as with the specific environmental criteria of operation of each unit. The Company operates with total transparency and participates in an open dialogue about environmental issues with all the interested parties.

**Local community**

The Company actively participates and responds with social responsibility to issues concern the local community. Designs and carries out actions aiming at elimination of social problems such as employment issues, educational development, welfare and culture.

The Company at the same time encourages its personnel and its business-partners as well to participate on voluntary actions and take initiatives for the Sustainable Development of the local community.

In the core of the business model of sustainable development is the human being and not only the economic profit making the role of management of a company more difficult and demanding as it is not easy enough for someone to strike the right balance between achieving economic goals of a company and respect of principles and regulations of ESG criteria.

Loulis Food Ingredients SA gradually and continuously integrate the ESG criteria and goals (Environment, Social, Governance) in its investment strategy for all of its activities. At mid-term and long-term that process shall result in an improved investment impact on environment, society and adoption of corporate governance best practices. At the same time the Company expects, after the adoption of ESG's practices, to contribute to reducing investment risks and strengthen the performance of its investment.

**Significant non-financial matters regarding long-term sustainability of the Company**

**a) Hygiene and Safety of employees and products**

The Company has set unconditional priority and primary concern the protection of the health and safety of its personnel. In the context of applying that priority, the Company has adopted every international best practice that contributes to the strengthening and improving of the safety culture and achieving the goal for "zero accidents" and at the same time conducts training programs about awareness of hazards on the production process and promoting of a common sense and safety behavior among employees.

Regarding its products, the Company has adopted the following policies for ensuring the hygiene and safety of its products in the context of its Product Superiority strategy:

- Quality Policy
- Quality and Food Safety Policy

**b) Training and development of employees**

The Company acknowledges the significant contribution of the personnel to its successful course until today. Long experience, high expertise, knowledge and creativity of the personnel support the Company's course for a stable, dynamic and ongoing development. The Company greatly emphasizes at objective evaluation of its personnel, promoting and enhancing talents and its continuous training as well, planning and conducting training courses of high added value based on structured methodology, targeted topics and training material that meet specific needs and cover a wide range of knowledge fields. The Company encourages professional development and makes maximum use of the knowledge and skills of the personnel whereas filling vacant posts with redeployment of staff within the Company is a prevailing principle in the Company's culture. Within

2022 training courses have been conducted having offered the opportunity to participants to take part, learn and benefit from trainers of high expertise. Some of these courses have been conducted on a repetitive basis.

**c) Social Responsibility**

The Company aims at the sustainability of the local community through bilateral cooperation. The Company covers significant part of its needs in human resources and suppliers from the local community in which the Company is active. A significant part of all employees comes from the local communities and in that way the Company contributes to the local and national economy. Within the Company's social initiatives the following are included: support of vulnerable social groups and particularly the Company supported 244 organizations providing them with more than 100 tonnes of flour, the Company's response to emergencies having provided 20 tonnes of flour to the people affected from the war in Ukraine, voluntary blood donations in the Company's premises, granting donations to public welfare institutions, support of 40 baking schools with a donation of more than 17 tonnes of flour for their training needs, support of "Food Saving Alliance" in cooperation with the non-profit organization "We Can" as well as many other initiatives that promote common values for progress, development and social service such as the implementation of new training courses in the "Loulis Museum" of the Company.

**d) Environmental protection**

For the Company, environmental protection is a primary element of its Sustainable Development Policy and represents a crucial pillar for its business strategy which is continuously adjusted to the constantly changing business international environment. Conscience about environment is expressed through adopting Environmental Management Policy for protecting the environment form the Company's operation and making specific investments of environmental protection and adopting daily practices as well that combine responsible environmental management with the effort to continually eliminate the environmental impact. In this context, the Company applies the applicable Law and the management of the implemented environmental programs are conducted through Environmental Management System which is certified with ISO 14001:2015.

In particular the Company proceeded in:

- Designing preventive measures of addressing problems and emergencies that could arise from Company's operation.
- Setting measurable objectives and corresponding programs for the ongoing improvement of the Company's environmental performance.
- Regular communication with all the parties involved - personnel, suppliers, business-partners, local community, companies with identical or similar activity- about environmental issues that affect all aspects of the Company's activity in order to assess all the relevant environmental data and raise awareness among all regarding matters of environmental management.

Also:

- Conducts targeted training sessions of environmental management (i.e. energy-saving programs, actions and initiatives for the reduction of pollutant emissions etc.)
- Seeks sustainable use of raw materials and natural resources (i.e. water drainage) and implements recycling program of metal, equipment, electrical and electronic devices, paper and plastic packages in association with verified recycling collectors.
- Implements integrated waste system and manages 100% recycling through verified providers of waste recycling.
- Monitors technological developments and periodically upgrades environmental infrastructure:
    - Annual noise and dust measurements are conducted by a verified company for that purpose.
    - Conducting emergency drills, fire-protection, depollution.
    - Continuous revitalization and afforestation of the surrounding areas of the production plants.
    - Achieving significant reduction of water consumption within the last 40 years with the production process.
    - Carrying-out desensitization of organic cereals and flour in conditions of controlled atmosphere without the use of chemicals.
- Ensures the ongoing training and sensitization of the employees on environmental issues.

**Standards used in publishing non-financial information of the Company**

Through publishing the Sustainability Development Report (sixth consecutive report) the Company aims at interested parties' comprehensive information regarding the quantitative and qualitative data related to the Company's performance in achieving its goals about Environmental, Social and Governance issues. These have been prepared in line with GRI criteria and underline and meet ESG's criteria (Environmental, Social and Governance criteria) according to the ESG Reporting Guide of the Athens Stock Exchange.

ESG criteria include several indicators that measure Company's performance and adapt its behavior so as to be in line with those criteria. ESG criteria are used and been assessed by prospective investors who wish to focus on responsible investments.

Moreover, for the determination of the Report's context, the Company used the basic version of GRI Standards ("This report has been prepared in accordance with the GRI Standards: Core option") and at the same time the requirements of Food Processing Sector Supplement of the GRI guidelines have been used. In addition the seven fundamental Principles of Social Responsibility of the international standard ISO 26000:2010 have been taken into account.

The Company clearly defined its limits and effect on sustainable development after taking into account the Sustainable Development Goals – SDGs of the UN, examining the impact of its several essential issues on each one of the 17 Goals.

Through the publishing of that report, the Company wishes to start and strengthen the dialogue with all the interested parties so as to support its strategy for the development of a sustainable and responsible business environment, for a greater contribution to economy, society and environment.

Targeting at transparency and strengthening the reliability of data the Company assigned an independent company of providing assurance on sustainability reports the external assurance of its Sustainability Development Report.

The Company based on the GRI standards and Sustainable Development Goals – SDGs of the UN is committed to pinpoint opportunities that could improve its strategy and decision-making regarding its operating performance, reducing the risks related to climate change and economic development.

**Decision-making procedure regarding transactions with related parties**

The related parties transaction process aims to describe the way related party transactions must be approved in accordance with the applicable legal framework and the way they must follow by the Company's staff prior to the signing/approval of a related party transaction.

Each affiliated company follows the rules regarding transparency, independent financial management, accuracy and correctness of its transactions, according to law. Transactions between the Company and its affiliated companies are made at a price or consideration, which is proportional to what would be agreed in case the transaction would be made with another natural or legal person, within the prevailing market conditions at the time of the transaction and especially in proportion to the price or consideration agreed by the Company, when it is traded with any third party, in accordance with the relevant provisions of the relevant legislation.

In the context of the application of International Accounting Standards and International Financial Reporting Standards and specifically in accordance with IAS 24 "Disclosures of Related Parties", the Company is required to disclose mainly through periodic financial statements the transactions between related parties. According to the provisions of that standard, in addition to the companies (subsidiaries and affiliates) being part of the Group of the Company, the BoD members, senior management, close members of the family thereof as well as third entities in which the above parties have a significant stake (>20%) and who, on account of the nature of such transactions, have significant influence over the Company’s decisions, strategies or economic activities.

On the responsibility of Financial Department, information relevant to the said transactions between related parties is included in the report accompanying the financial statements of the Company, for the shareholders’ information.

In the context of the above, within 2022 the Company carried out the following transactions with related parties, as described in Chapter I of the Annual Report Of The Board Of Directors.

## I. Significant transactions with Related Parties

The cumulative amounts for sales and purchases from the beginning of the current year and the balances of the Group's and the Company's receivables and liabilities accounts at the end of the current year, which have resulted from its transactions with related parties, as per IAS 24, are as follows:

**Transactions with related parties**

**Group**

| | 01.01.2022 - 31.12.2022 | | 01.01.2021 - 31.12.2021 | |
|---|---|---|---|---|
| | Sales of Goods and Services | Purchases of Goods and Services | Sales of Goods and Services | Purchases of Goods and Services |
| Affiliated Companies | 1.158 | 0 | 0 | 0 |
| Executives and Members of the Management | 0 | 0 | 0 | 0 |
| **Total:** | **1.158** | **0** | **0** | **0** |

| | 31.12.2022 | | 31.12.2021 | |
|---|---|---|---|---|
| | Receivables | Liabilities | Receivables | Liabilities |
| Affiliated Companies | 0 | 0 | 0 | 0 |
| Executives and Members of the Management | 455.773 | 849 | 266.826 | 813 |
| **Total:** | **455.773** | **849** | **266.826** | **813** |

**Company**

| | 01.01.2022 - 31.12.2022 | | 01.01.2021 - 31.12.2021 | |
|---|---|---|---|---|
| | Sales of Goods and Services | Purchases of Goods and Services | Sales of Goods and Services | Purchases of Goods and Services |
| Kenfood SA | 646.698 | 1.887.981 | 844.105 | 1.348.163 |
| Greek Baking School S.A. | 8.400 | 20.000 | 8.400 | 37.000 |
| Loulis Logistics Services SA | 480 | 0 | 480 | 0 |
| Loulis International Foods Enterprises Bulgaria Ltd | 0 | 0 | 0 | 0 |
| Loulis Mel-Bulgaria EAD | 283.395 | 6.535.022 | 64.090 | 1.283.983 |
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY Ltd | 0 | 0 | 0 | 0 |
| Affiliated Companies | 1.158 | 0 | 0 | 0 |
| Executives and Members of the Management | 0 | 0 | 0 | 0 |
| **Total:** | **940.131** | **8.443.003** | **917.075** | **2.669.146** |

| | 31.12.2022 | | 31.12.2021 | |
|---|---|---|---|---|
| | Receivables | Liabilities | Receivables | Liabilities |
| Kenfood SA | 68.724 | 138.836 | 58.811 | 72.418 |
| Greek Baking School S.A. | 0 | 0 | 0 | 0 |
| Loulis Logistics Services SA | 0 | 0 | 0 | 0 |
| Loulis International Foods Enterprises Bulgaria Ltd | 0 | 0 | 0 | 0 |
| Loulis Mel-Bulgaria EAD | 5.119.575 | 365.666 | 4.020.815 | 238.379 |

| | | | | |
|---|---|---|---|---|
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY Ltd | 0 | 0 | 0 | 0 |
| Affiliated Companies | 0 | 0 | 0 | 0 |
| Executives and Members of the Management | 366 | 849 | 0 | 554 |
| **Total:** | **5.188.665** | **505.351** | **4.079.626** | **311.351** |

**Fees of Executives and Members of the Management**

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Salaries and other benefits | 1.619.480 | 1.285.278 | 908.930 | 743.155 |
| **Total:** | **1.619.480** | **1.285.278** | **908.930** | **743.155** |

There are no other significant transactions with the associated companies for 2022.

## J. Significant Events after the end of the fiscal year 2022

The most significant events that took place subsequently of December 31, 2022 and until the date of the Financial Statements' preparation are as follows:

**Issuance of a Bond Loan**

On April 10, 2023 the Group's subsidiary KENFODD SA proceeded with the issuance of a bond loan of total amount of € 3,0 million of three-years duration, in order to cover its working-capital needs. The loan has been granted by Piraeus Bank SA with the guarantee of the parent Company of the Group.

## JA. Information pursuant to Article 50, par. 2 of Law 4548/2018 for acquired own share

The Company did not possess any own shares at the date of the Ffinancial Statements' preparation.

## JB. Explanatory Report of the Board of Directors (pursuant to article 4, par. 7 & 8 of law 3556/2007)

This Explanatory Report of the Board of Directors to the Annual General Meeting of shareholders includes detailed information in accordance with the provisions of paragraph 1 of article 11a pursuant to Law 3371/2005 as in force.

**1. Share Capital Structure**

The Company's share capital amounts to € 16.093.063,20, divided into 17.120.280 shares with the nominal value of € 0,94 per each. All shares are ordinary, registered, voting shares, listed for trading on the Athens Exchange and particularly in the Mid Cap class.

**2. Restrictions on the transfer of Company's shares**

There are no restrictions in the Company's Articles of Association regarding the transfer of the company shares and the transfer is conducted in accordance to Law.

**3. Significant direct or indirect participations according to articles 9-11 of Law 3556/2007.**

On settlement date 31.03.2023 Mr. Loulis Nikolaos holds 48,47%, Mrs Evangelia Louli holds 6,86%, and AL DAHRA AGRICULTURE SPAIN SLU holds 20,01% of the share capital of the Company. There is no other natural or legal person that owns more than 5% of the share capital.

**4. Holders of any type of share providing special rights of control.**

There are no Company's shares providing their holders with any special control rights.

**5. Restrictions on voting rights.**

There are no restrictions in the Company's Articles of Association regarding voting rights.

**6. Agreements between Company's shareholders.**

The Company is not aware of any agreements between its shareholders which might result in restrictions on the transfer of its shares or the exercise of voting rights.

**7. Rules of appointment and replacement of members of the Board of Directors and amendment of Articles of Association which are differentiated from those as specified in Law 4548/2018.**

The provisions set out in the Company's Articles of Association regarding the appointment and replacement of its BoD members as well as the amendment of its Articles of Association do not differ from the provisions of the Law 4548/2018.

**8. Responsibility of the Board of Directors for issuing new shares or purchase own shares.**

According to the provisions of article 6 of Company's Articles of Association, within five years from the relevant decision of the General Meeting, the BoD, following a decision taken with the quorum and majority requirements prescribed in Law 4548/2018, has the right to increase the share capital partially or in full by issuing new shares, for an amount that cannot exceed the triple of the paid up share capital at the date the relevant authority has been granted to the BoD. Pursuant to the provisions of art. 49 of Law 4548/2018, public limited companies, following a decision of the General Meeting of their shareholders, can acquire own shares, up to 10% of their total number of shares, based on the specific terms and procedures of the art. 49 of Law 4548/2018. There is no any contrary provision in the Company's Articles of Association.

**9. Important agreement made by the Company, which will come into effect, be amended or expire upon any changes in the Company's control following a public offer and the results of this agreement.**

There are no such agreements

**10. Agreements made between the Company and its BoD members or its personnel, regarding compensation in case of resignation or release from duties without sufficient reason or in case of termination of their term or employment due to a public offer.**

There are no agreements between the Company and the members of its Board of Directors or its personnel for the payment of compensation particularly in the event of resignation or termination of employment without sufficient reason or termination of tenure or employment due to public offer.

## JC. Dividends and Shares

The BoD of the Company after taking into account the financial results of the year 2022, the financial position of the Company, the prospects as well as the conditions prevailing in the wider financial environment shall propose in the following Annual General Meeting of the Shareholders the non-distribution of dividends.

## JD. Corporate Social Responsibility

The annual Corporate Social Responsibility Report of the GROUP LOULIS FOOD INGREDIENTS, based on a internationally recognized reporting standard (GRI Standards), shall be available to the public and posted on the Company's webpage (www.loulis.com).

The Chairman of the Board of Directors

Nikolaos Loulis

Soupri, Magnisia April 26, 2023

The Board of Directors

# Independent Auditor's Report

To the Shareholders of LOULIS FOOD INGREDIENTS S.A.

**Report on the Audit of the Separate and Consolidated Financial Statements**

**Opinion**

We have audited the accompanying separate and consolidated financial statements of the Company LOULIS FOOD INGREDIENTS S.A. (the Company), which comprise the separate and consolidated statement of financial position as at December 31, 2022, and the separate and consolidated statements of comprehensive income, changes in equity and cash flow for the year then ended, as well as a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company LOULIS FOOD INGREDIENTS S.A. and its subsidiaries (the Group) as of December 31, 2022, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

**Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs) as incorporated in Greek Legislation. Our responsibilities, under those standards are described in the "Auditor's Responsibilities for the Audit of the separate and consolidated financial statements" section of our report. During our audit, we remained independent of the Company and the Group, in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as incorporated in Greek legislation and the ethical requirements relevant to the audit of the separate and consolidated financial statements in Greece and we have fulfilled our responsibilities in accordance with the provisions of the currently enacted law and the requirements of the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and the consolidated financial statements of the current period. These matters and the related risks of material misstatement were addressed in the context of our audit of the separate and the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Key audit matter | How our audit addressed the Key audit matter |
|---|---|
| **Valuation of inventories** | |
| As described in Note 7.9 of the financial statements the value of the inventories as included in the statement of financial position of the Group and the Company at December 31, 2022 amounts to € 46.035.518 and € 30.885.839 respectively.<br>The Group and the Company valuate inventories at the lower of cost and net realizable value.<br>For the determination of the net realizable value the Management of the Company performs appropriate estimates, based on the maturity of the inventories, their movement during every reporting period as well as any liquidation future plans.<br>We consider valuation of inventories of the Group and the Company a key audit matter due to the significant value of the inventories as well as the judgment and estimations involved by the Management in the determination of their net realizable value.<br>The disclosures of the Group and the Company regarding the accounting policy applied for the valuation of inventories are described in Notes 6.8.7, 6.9.6 and 7.9 of the financial statements. | We performed a risk-based approach, and our audit includes, among others, the following procedures:<br>• The understanding and the test of the procedures designed by the Management regarding inventories.<br>• We attended physical inventory counting in Company's warehouses and production facilities.<br>• On a sample basis we tested the verification of both the purchase and the production cost.<br>• We examined on a sample basis the available accounting records used to determinate the net realizable value and the identification of obsolete stock.<br>• We evaluated the reasonableness of estimates and assumptions used by the Management for the valuation of inventories.<br>• We also assessed the adequacy and appropriateness of the relating disclosures included in the financial statements. |
| **Recoverability of trade receivables** | |
| As described in Note 7.10 of the financial statements, the value of the trade receivables as included in the statement of financial position of the Group and the Company at December 31, 2022, amounted to € 48.522.859 and € 44.806.361 respectively, whereas the relevant accumulated impairment provision amounts | We performed a risk-based approach, and our audit includes, among others, the following procedures:<br>• The understanding and the examination of the credit control procedures of the Group and the Company designed for credit granting to customers as well as the monitoring of the trade receivables. |

to € 7.521.491 και € 6.708.716 respectively.

Management evaluates the recoverability of the trade receivables of the Group and the Company and estimates the necessary impairment provision for the expected credit loss.

Management, in order to estimate the amount of impairment of its trade receivables, evaluates their recoverability, by reviewing the maturity of the customers' balances, their credit history and the settlement of the subsequent payments.

Given the significance of the matter above and the level of the judgements and estimations that were required we consider recoverability of trade receivables a key audit matter.

The disclosures of the Group and the Company regarding the trade receivables are described in Notes 6.8.9, 6.9.7 and 7.10 of the financial statements.

- The evaluation of the assumptions and methodology used by the Management of the Company to determine the recoverability of the trade receivables or their classification as bad debts, taking into account the customers' ageing analysis and any guarantees and collaterals provided by the customers.
- The examination of the response letters received from legal advisors concerning the matters they dealt with through the year so as to identify indications of trade balances that may not be recoverable in the future.
- We received third party confirmation letters on a sample basis of the trade receivables and performed procedures subsequent to the financial statements date for collections against end year balances.
- The examination of the maturity of the year-end trade receivable balances and the existence of any debtors facing financial difficulty. Discussion with the Management and examination of the recent mail between the Company and its customers. Evaluation of the publicly available information.
- Recalculation of the expected credit loss taking into account the calculation model used by the management and we confirmed the completeness and the accuracy of the data.
- We also assessed the adequacy and appropriateness of the disclosures included in the financial statements.

**Other Information**

Management is responsible for the other information. The other information is included in the Board of Directors' Report, as referred to the "Report on other Legal and Regulatory Requirements" section, in the Declaration of the Board of Directors Representatives, but does not include the financial statements and our auditor's report thereon. Our opinion on the separate and consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this respect.

**Responsibilities of Management and Those Charged with Governance for the separate and consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards, as endorsed by the European Union, and for such internal control as Management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, Management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless, Management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee (art. 44 of Law 4449/2017) of the Company is responsible for overseeing the Company's and the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the separate and consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, as incorporated in Greek Legislation, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs as incorporated in Greek Legislation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the separate and consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the Company and the Group. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters.

## Report on Other Legal and Regulatory Requirements

### 1. Board of Directors' Report

Taking into consideration that Management is responsible for the preparation of the Board of Directors' Report and the Corporate Governance Statement, which is included therein, according to the provisions of paragraph 5 of article 2 of L. 4336/2015 (part B), we note that:

a) The Board of Directors' Report includes the Corporate Governance Statement which provides the information required by Article 152 of Law 4548/2018.

b) In our opinion the Board of Directors' Report has been prepared in accordance with the applicable legal requirements of articles 150-151 and 153 and of paragraph 1 (cases c' and d') of article 152 of Law 4548/2018 and its content is consistent with the accompanying separate and consolidated financial statements for the year ended 31.12.2022.

c) Based on the knowledge we obtained during our audit about the company "LOULIS FOOD INGREDIENTS S.A." and its environment, we have not identified any material inconsistencies in the Board of Directors' Report.

**2. Additional Report to the Audit Committee**

Our audit opinion on the separate and the consolidated financial statements is consistent with our Additional Report to the Audit Committee of the Company, referred to in article 11 of EU Regulation 537/2014.

**3. Provision of Non-Audit Services**

We have not provided to the Company and the Group any prohibited non-audit services referred to in article 5 of EU Regulation No 537/2014 or other permitted non-audit services.

**4. Auditor's Appointment**

We were appointed as statutory auditors for the first time by the General Assembly of shareholders of the Company on 23/06/2014. Our appointment has been, since then, uninterrupted renewed by the Annual General Assembly of shareholders of the Company for 9 consecutive years.

**5. Rules of Procedure**

The Company has in place Rules of Procedure in conformance with the provisions of article 14 of Law 4706/2020.

**6. Assurance Report on European Single Electronic Format**

We examined the digital records of "LOULIS FOOD INGREDIENTS S.A." (hereinafter Company and Group), prepared in accordance with the European Single Electronic Format (ESEF) as defined by the European Commission Delegated Regulation 2019/815, amended by the Regulation (EU) 2020/1989 (ESEF Regulation), which comprise the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2022, in XHTML format, as well as the provided XBRL file (to name the file 213800SZN4MZXLBCIB60-2022-12-31-el.zip) with the appropriate mark-up, on the aforementioned consolidated financial statements, including other explanatory information (Notes to the financial statements).

**Regulatory Framework**

The digital records of the ESEF are prepared in accordance with the ESEF Regulation and the Commission Interpretative Communication 2020/C379/01 of November 10, 2020, in accordance with Law 3556/2007

and the relevant announcements of the Hellenic Capital Market Commission and the Athens Stock Exchange (ESEF Regulatory Framework).

In summary, this framework includes, inter alia, the following requirements:

- All annual financial reports shall be prepared in XHTML format.
- For the consolidated financial statements in accordance with IFRS, financial information included in the statements of comprehensive income, financial position, changes in equity and cash flow, as well as the financial information included in the other explanatory information, shall be marked-up with XBRL tags (XBRL "tags" and "block tags"), in accordance with the effective ESEF Taxonomy. ESEF technical specifications, including the relevant taxonomy, are set out in the ESEF Regulatory Technical Standards.

The requirements set out in the current ESEF Regulatory Framework constitute the appropriate criteria for expressing a conclusion of reasonable assurance.

**Responsibilities of Management and Those Charged with Governance**

Management is responsible for the preparation and submission of the separate and consolidated financial statements of the Company and Group for the year ended December 31, 2022, in accordance with the requirements of ESEF Regulatory Framework, and for such internal control as management determines is necessary to enable the preparation of digital records that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibilities**

Our responsibility is to design and conduct this assurance engagement in accordance with No. 214/4/11-02-2022 Decision of the Board of Directors of the Hellenic Accounting and Auditing Standards Oversight Board (HAASOB) and the "Guidelines on the auditors' engagement and reasonable assurance report on European Single Electronic Format (ESEF) for issuers whose securities are admitted to trading on a regulated market in Greece" as issued by the Institute of Certified Public Accountants of Greece on 14/02/2022 (hereinafter "ESEF Guidelines"), in order to obtain reasonable assurance that the separate and the consolidated financial statements of the Company and the Group, prepared by the management in accordance with ESEF are in compliance, in all material respects, with the effective ESEF Regulatory Framework.

We conducted our work in accordance with the Code of Ethics for Professional Accountants (IESBA Code) issued by the International Ethics Standards Board for Accountants, as incorporated in Greek legislation and we have complied with the ethical requirements of independence, in accordance with Law 4449/2017 and EU Regulation 537/2014.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and our procedures are limited to the requirements of ESEF Guidelines. Reasonable assurance is a high level of assurance but is not a guarantee that this work will always detect a material misstatement of non-compliance with the requirements of ESEF Regulation.

**Conclusion**

Based on the procedures performed and the evidence obtained, the separate and consolidated financial statements of the Company and the Group for the year ended December 31, 2022, in XHTML file format, as well as the provided XBRL file (to name the file 213800SZN4MZXLBCIB60-2022-12-31-en.zip) with the appropriate mark-up on the above consolidated financial statements, including the other explanatory information, have been prepared, in all material respects, in accordance with the requirements of the ESEF Regulatory Framework.

Ag. Paraskevi, April 26, 2023
Certified Public Accountant

BDO Certified Public Accountant S.A.
449 Mesogion Ave,
Athens- Ag. Paraskevi, Greece
Reg. SOEL: 173

Andriana K. Lavazou
Reg. SOEL: 45891

# Annual Financial Statements

## 1. Statement of Financial Position

*(Amounts in €)*

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | | 31/12/2022 | 31/12/2021 | 31/12/2022 | 31/12/2021 |
| **ASSETS** | **Note** | | | | |
| **Non-Current Assets** | | | | | |
| Property, Plant and Equipment | 7.2 | 107.146.282 | 103.055.115 | 92.603.985 | 89.743.079 |
| Investment Property | 7.3 | 515.986 | 519.992 | 495.994 | 500.000 |
| Right of Use Assets | 7.4 | 829.665 | 513.392 | 640.727 | 348.201 |
| Other Intangible Assets | 7.5 | 1.741.858 | 1.972.506 | 1.007.860 | 1.216.479 |
| Goodwill | 7.6 | 1.000.000 | 1.000.000 | 0 | 0 |
| Investments in Subsidiaries | 7.7 | 0 | 0 | 14.174.033 | 14.174.033 |
| Other Non-Current Receivables | 7.8 | 1.107.796 | 1.745.691 | 306.451 | 336.272 |
| Deferred Tax Assets | | 0 | 0 | 0 | 0 |
| | | **112.341.587** | **108.806.696** | **109.229.050** | **106.318.064** |
| **Current Assets** | | | | | |
| Inventories | 7.9 | 46.035.518 | 35.962.213 | 30.885.839 | 28.402.995 |
| Trade Receivables | 7.10 | 48.522.859 | 36.368.868 | 44.806.361 | 33.049.955 |
| Derivative Financial Assets | 7.11 | 9.380 | 521.000 | 9.380 | 521.000 |
| Cash and Cash Equivalents | 7.12 | 11.013.927 | 9.653.358 | 8.977.563 | 8.343.081 |
| Other Current Assets | 7.13 | 4.945.192 | 5.288.177 | 9.417.801 | 8.996.100 |
| | | 110.526.876 | 87.793.616 | 94.096.944 | 79.313.131 |
| **TOTAL ASSETS** | | **222.868.463** | **196.600.312** | **203.325.994** | **185.631.195** |
| **EQUITY AND LIABILITIES** | | | | | |
| **Equity attributable to Equity Holders of the Parent** | | | | | |
| Share Capital | | 16.093.063 | 16.093.063 | 16.093.063 | 16.093.063 |
| Share Premium Account | | 31.602.358 | 31.602.358 | 31.602.358 | 31.602.358 |
| Other Reserves | 7.14 | 49.851.212 | 45.485.330 | 49.624.658 | 46.543.866 |
| Equity attributable to Equity Holders of the Parent | | 97.546.633 | 93.180.751 | 97.320.079 | 94.239.287 |
| Non-Controlling Interest | | 392 | 488 | 0 | 0 |
| **Total Equity** | | **97.547.025** | **93.181.239** | **97.320.079** | **94.239.287** |
| **Non-Current Liabilities** | | | | | |
| Non-Current Loans and Borrowings | 7.15 | 60.077.548 | 47.473.357 | 53.675.000 | 42.125.000 |
| Deferred Tax Liabilities | 7.16 | 11.577.432 | 10.812.199 | 11.423.856 | 10.532.166 |
| Provisions for Retirement Benefits | 7.17 | 373.618 | 402.879 | 346.055 | 378.590 |
| Non-Current Lease Liabilities | 7.4 | 564.962 | 310.751 | 448.291 | 209.291 |
| Other Non-Current Liabilities | 7.18 | 3.221.661 | 2.861.214 | 3.221.661 | 2.861.214 |
| | | 75.815.221 | 61.860.400 | 69.114.863 | 56.106.261 |
| **Current Liabilities** | | | | | |
| Trade Payables | 7.19 | 17.942.775 | 19.829.680 | 11.405.423 | 15.914.403 |
| Loans and Borrowings | 7.15 | 18.527.222 | 14.351.250 | 12.751.710 | 12.208.732 |
| Derivative Financial Liabilities | 7.11 | 267.878 | 762.350 | 267.878 | 762.350 |
| Tax Liabilities | 7.20 | 1.357.033 | 722.130 | 1.318.562 | 684.380 |
| Current Lease Liabilities | 7.4 | 281.183 | 217.095 | 204.898 | 149.682 |
| Other Current & Accrued Liabilities | 7.21 | 11.130.126 | 5.676.168 | 10.942.581 | 5.566.100 |
| | | 49.506.217 | 41.558.673 | 36.891.052 | 35.285.647 |
| **Total Equity and Liabilities** | | **222.868.463** | **196.600.312** | **203.325.994** | **185.631.195** |

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Food Ingredients

# 2. Statement of Comprehensive Income

*(Amounts in €)*

| | | GROUP | | COMPANY | |
|---|---|---|---|---|---|
| | Note | 1/1-31/12/2022 | 1/1-31/12/2021 | 1/1-31/12/2022 | 1/1-31/12/2021 |
| Revenue | 7.22 | 197.908.200 | 134.908.470 | 173.303.050 | 119.715.042 |
| Cost of Sales | | (169.967.044) | (115.387.298) | (150.290.802) | (102.636.050) |
| **Gross Profit** | | **27.941.156** | **19.521.172** | **23.012.248** | **17.078.992** |
| Other Income | 7.23 | 4.970.805 | 3.304.365 | 4.083.541 | 2.764.622 |
| Distribution Expenses | 7.24 | (16.713.114) | (14.021.981) | (13.647.112) | (11.941.854) |
| Administration expenses | 7.25 | (8.467.885) | (6.006.951) | (7.290.712) | (5.322.297) |
| Other Expenses | 7.26 | (1.970.273) | (199.794) | (1.927.064) | (150.510) |
| Fair value valuation of Bonds and Participations | | (872.638) | (142.662) | (872.638) | (142.662) |
| Financial Income | 7.27 | 5.028 | 3.650 | 133.116 | 29.050 |
| Financial Expenses | 7.27 | (2.457.358) | (1.650.351) | (2.211.295) | (1.413.073) |
| **Profits/(Losses) before Taxes** | | **2.435.721** | **807.448** | **1.280.084** | **902.268** |
| Tax Expense | 7.28 | (593.460) | 386.144 | (718.679) | 398.665 |
| **Net Profit of the Year** | | **1.842.261** | **1.193.592** | **561.405** | **1.300.933** |
| Owners of the Parent Company | | 1.842.358 | 1.193.607 | 561.405 | 1.300.933 |
| Non-Controlling Interests | | (97) | (15) | 0 | 0 |
| **Other Comprehensive Income Items that will be Reclassified to Profit or Loss** | | **0** | **0** | **0** | **0** |
| Profit/Loss on Revaluation of Property | 7.29 | 4.875.372 | 2.086.473 | 4.875.372 | 1.436.996 |
| Actuarial Profits/Losses | | 47.067 | 7.329 | 42.067 | 3.635 |
| Income Tax that relates to Other Comprehensive Income | | (1.082.699) | (362.225) | (1.081.837) | (219.013) |
| **Items that will not be Reclassified to Profit or Loss** | | **3.839.740** | **1.731.577** | **3.835.602** | **1.221.618** |
| **Total Comprehensive Income for the Year** | | **5.682.001** | **2.925.169** | **4.397.007** | **2.522.551** |
| **Profit Attributable to:** | | | | | |
| Owners of the Parent Company | | 5.682.098 | 2.925.184 | 4.397.007 | 2.522.551 |
| Non-Controlling Interests | | (97) | (15) | 0 | 0 |
| **Earnings per Share for Profits Attributable to the Owners of the Parent** | | | | | |
| Basics | 7.30 | **0,1076** | **0,0697** | **0,0328** | **0,0760** |
| Diluted | 7.30 | **0,1076** | **0,0697** | **0,0328** | **0,0760** |
| **Proposed Dividend per Share** | | **0,0000** | **0,0000** | **0,0000** | **0,0000** |
| **Depreciation** | | 5.238.177 | 5.198.143 | 4.710.080 | 4.698.357 |
| **Earnings before Interest and Tax** | | **6.915.091** | **2.652.409** | **5.345.526** | **2.458.909** |
| **Earnings before Interest, Tax, Depreciation and Amortization** | | **12.153.268** | **7.850.552** | **10.055.606** | **7.157.266** |

# 3. Statement of Changes in Equity

## 3.1 Group *(Amounts in €)*

| | Share Capital | Share Premium | Statutory Reserves | Extraordinary Reserves | Non Taxable Reserves | Resereve for Entity's Own Shares | Reserves from the Revaluation of Assets | Reserves from Foreign Exchange Differences | Other Reserves | Profit/(Loss) for the period after taxes | Equity before non-controlling interest | Non-controlling Interest | Equity after non-controlling interest |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at January 1st 2021** | **16.093.063** | **31.602.358** | **1.975.683** | **103.990** | **3.420.457** | **0** | **4.276.771** | **1.061.889** | **7.651.779** | **25.279.192** | **91.465.182** | **406** | **91.465.588** |
| Profits/(Losses) for the Period after Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.193.607 | **1.193.607** | (15) | **1.193.592** |
| Actuarial Profits/(Losses) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6.203 | **6.203** | 0 | **6.203** |
| Profit/(Losses from revaluation of Property | 0 | 0 | 0 | 0 | 0 | 0 | 1.725.374 | 0 | 0 | 0 | **1.725.374** | 0 | **1.725.374** |
| Net Revenue/Expenses directly recognized in Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1.209.519) | **(1.209.519)** | 0 | **(1.209.519)** |
| Share Capital Increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Return of Capital to Shareholders | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Sales/(Purchases) of Own Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Change in Reserves | 0 | 0 | 100.723 | 0 | 0 | 0 | 0 | 0 | 0 | (100.723) | **0** | 0 | **0** |
| Minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (98) | **(98)** | 97 | **(1)** |
| Other movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | **2** | 0 | **2** |
| **Net Position at December 31st 2021** | **16.093.063** | **31.602.358** | **2.076.406** | **103.990** | **3.420.457** | **0** | **6.002.145** | **1.061.889** | **7.651.779** | **25.168.664** | **93.180.751** | **488** | **93.181.239** |
| | | | | | | | | | | | | | |
| **Balance at January 1st 2022** | **16.093.063** | **31.602.358** | **2.076.406** | **103.990** | **3.420.457** | **0** | **6.002.145** | **1.061.889** | **7.651.779** | **25.168.664** | **93.180.751** | **488** | **93.181.239** |
| Profits/(Losses) for the Period after Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.842.358 | **1.842.358** | (97) | **1.842.261** |
| Actuarial Profits/(Losses) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 36.950 | **36.950** | 0 | **36.950** |
| Profit/(Losses from revaluation of Property | 0 | 0 | 0 | 0 | 0 | 0 | 3.802.790 | 0 | 0 | 0 | **3.802.790** | 0 | **3.802.790** |
| Net Revenue/Expenses directly recognized in Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1.225.146) | **(1.225.146)** | 0 | **(1.225.146)** |
| Share Capital Increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Return of Capital to Shareholders | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Sales/(Purchases) of Own Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 0 | **0** |
| Change in Reserves | 0 | 0 | 70.518 | 0 | 0 | 0 | 0 | 0 | 0 | (70.518) | **0** | 0 | **0** |
| Minorities | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | **0** | 1 | **1** |
| Other movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (91.070) | **(91.070)** | 0 | **(91.070)** |
| **Net Position at December 31st 2022** | **16.093.063** | **31.602.358** | **2.146.924** | **103.990** | **3.420.457** | **0** | **9.804.935** | **1.061.889** | **7.651.779** | **25.661.238** | **97.546.633** | **392** | **97.547.025** |

## 3.2 Company

*(Amounts in €)*

| | Share Capital | Share Premium | Statutory Reserves | Extraordinary Reserves | Non Taxable Reserves | Reserve for Entity's Own Shares | Reserve from the Revaluation of Assets | Other Reserves | Profit/(Loss) for the period after Taxes | Total | Total Equity |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Balance at January 1st 2021** | **16.093.063** | **31.602.358** | **1.872.940** | **103.990** | **3.208.286** | **0** | **3.721.156** | **6.592.716** | **29.731.747** | **92.926.256** | **92.926.256** |
| Profits/(Losses) for the Period after Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1.300.933 | 1.300.933 | 1.300.933 |
| Net Income/Expenses directly recognized in Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Actuarial Profits/ (Losses) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2.836 | 2.836 | 2.836 |
| Profit/(Losses from revaluation of Property | 0 | 0 | 0 | 0 | 0 | 0 | 1.218.782 | 0 | 0 | 1.218.782 | 1.218.782 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1.209.520) | (1.209.520) | (1.209.520) |
| Share Capital Increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Return of Capital to shareholders | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sales/(Purchases) of Own Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Amount Returned relating to Own Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in Reserves | 0 | 0 | 100.723 | 0 | 0 | 0 | 0 | 0 | (100.723) | 0 | 0 |
| Other movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **Net Position at December 31st 2021** | **16.093.063** | **31.602.358** | **1.973.663** | **103.990** | **3.208.286** | **0** | **4.939.938** | **6.592.716** | **29.725.273** | **94.239.287** | **94.239.287** |
| **Balance at January 1st 2022** | **16.093.063** | **31.602.358** | **1.973.663** | **103.990** | **3.208.286** | **0** | **4.939.938** | **6.592.716** | **29.725.273** | **94.239.287** | **94.239.287** |
| Profits/(Losses) for the Period after Taxes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 561.405 | 561.405 | 561.405 |
| Net Income/Expenses directly recognized in Equity | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Actuarial Profits/(Losses) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 32.812 | 32.812 | 32.812 |
| Profit/(Losses from revaluation of Property | 0 | 0 | 0 | 0 | 0 | 0 | 3.802.790 | 0 | 0 | 3.802.790 | 3.802.790 |
| Dividends | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (1.225.146) | (1.225.146) | (1.225.146) |
| Share Capital Increase | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Return of Capital to Shareholders | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sales/(Purchases) of Own Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Capital Amount Returned relating to Own Shares | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Change in Reserves | 0 | 0 | 70.518 | 0 | 0 | 0 | 0 | 0 | (70.518) | 0 | 0 |
| Other movements | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (91.069) | (91.069) | (91.069) |
| **Net Position at December 31st 2022** | **16.093.063** | **31.602.358** | **2.044.181** | **103.990** | **3.208.286** | **0** | **8.742.728** | **6.592.716** | **28.932.757** | **97.320.079** | **97.320.079** |

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Food Ingredients

# 4. Cash Flow Statement

| | GROUP | | COMPANY | |
|---|---|---|---|---|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| **Cash Flow from Operating Activities** | | | | |
| **Profit/(Loss) before Tax** | **2.435.721** | **807.448** | **1.280.084** | **902.268** |
| *Adjustments for :* | | | | |
| Depreciation | 5.238.177 | 5.198.143 | 4.710.080 | 4.698.357 |
| Provisions | 302.336 | 21.792 | 275.987 | 24.598 |
| Profit/(Loss) from Sale of Property ,Plant & Equipment and Intangible Assets | 273.565 | 30.521 | 273.515 | 18.285 |
| Interest Expenses | 2.457.358 | 1.650.351 | 2.211.295 | 1.413.073 |
| Interest Income | (5.028) | (3.650) | (133.116) | (29.050) |
| **Adjustments for change in Workings Capital or relating Operating Activities:** | | | | |
| (Increase)/Decrease in Inventories | (9.323.305) | (13.449.722) | (1.732.844) | (11.697.828) |
| (Increase)/Decrease in Receivables | (4.863.126) | (7.663.399) | (10.205.946) | (9.716.946) |
| (Decrease)/Increase in Payables (Excluding Loans) | (1.490.870) | 14.238.488 | 209.165 | 12.819.156 |
| **Less :** | | | | |
| Interest paid | (2.546.981) | (1.708.280) | (2.185.939) | (1.440.686) |
| Tax paid | (676.815) | (48.296) | (674.714) | (46.195) |
| **Net Cash from Operating Activities (a)** | **(8.198.968)** | **(926.604)** | **(5.972.433)** | **(3.054.968)** |
| **Cash Flow from Investing Activities** | | | | |
| Acquisition of Associates, Jvs and Other Investments | 0 | 0 | 0 | (15.000) |
| Proceeds/(Payments) from disposal/(purchase) of investment securities | (1.455.000) | (250.000) | (1.455.000) | (250.000) |
| Purchase of Tangible and Intangible Assets | (4.912.899) | (4.023.813) | (3.254.341) | (1.763.943) |
| Proceeds from Disposal of Tangible and Intangible Assets | 513.226 | 14.210 | 513.226 | 13.010 |
| Interest Received | 134.596 | 30.733 | 133.117 | 29.050 |
| **Net Cash from Investing Activities (b)** | **(5.720.077)** | **(4.228.870)** | **(4.062.998)** | **(1.986.883)** |
| **Cash Flow from Financing Activities** | | | | |
| Proceeds from Bank Borrowings | 30.325.973 | 9.473.765 | 24.242.978 | 8.741.598 |
| Payment of Bank Borrowings | (13.545.809) | (7.925.687) | (12.150.000) | (5.425.000) |
| Payment of Lease Liabilities | (276.730) | (416.340) | (199.245) | (322.230) |
| Dividends/Fees paid to the members of the BoD | (1.223.820) | (1.209.707) | (1.223.820) | (1.209.707) |
| **Net Cash from Financing Activities (c)** | **15.279.614** | **(77.969)** | **10.669.913** | **1.784.661** |
| **Net Increase / (Decrease) in the Cash and Cash Equivalents (a+b+c)** | **1.360.569** | **(5.233.443)** | **634.482** | **(3.257.190)** |
| **Cash and Cash Equivalents at begging of the year** | **9.653.358** | **14.886.801** | **8.343.081** | **11.600.271** |
| **Cash and Cash Equivalents at the end of the year** | **11.013.927** | **9.653.358** | **8.977.563** | **8.343.081** |

# 5. Notes on the Annual Financial Statements

## 5.1 General Information

The Company LOULIS FOOD INGREDIENTS S.A., formerly LOULIS MILLS S.A., as renamed by the decision of the June 22, 2022 Regular General Meeting of its shareholders and approved by the decision numbered 2650938AP/28.06.2022 of the Ministry of Development and Investments hereinafter referred to as "Company" or "Parent") is a Greek Societe Anonyme listed in the Athens Stock Exchange and is subject to the Codified Law 2190/1920. Founded on February 22, 1927 and is registered in the General Registry of Commerce No. 50675444000 (ex RN 10344/06 / B / 86/131). The Company's head office is located at Municipality of Almiros, Municipal District Sourpi, Magnesia (Loulis Port), and the web address is: www.loulis.com where the Company's and the Group's interim and annual financial statements are published as well as the annual financial statements of its non-listed subsidiaries are available.

The Company's objectives are to :

a) Operate a Flour Mill and generally to carry out industrial and commercial business regarding the flour industry, cereals, the production of animal feed, agricultural products and food products in general, as well as agricultural supplies, fertilisers, etc.

b) Produce, purchase and resale, import, export and general handling and trade cereal products or other land products, agricultural products in general, and food and agricultural supplies, fertilizers, etc.

## 5.2 Group's Structure

The Group's companies, their addresses and participation percentages as included in the consolidated financial statements, are the following:

| Name | Head Office | %participation of the parent | Basics for the consolidation | Consolidation method | Tax un-audited fiscal years |
|---|---|---|---|---|---|
| LOULIS FOOD INGREDIENTS S.A | Greece | - | Parent | - | 2022 |
| KENFOOD S.A | Greece | 99,99% | Direct | Full | 2022 |
| GREEK BAKING SCHOOL S.A | Greece | 99,70% | Direct | Full | 2017 – 2022 |
| LOULIS LOGISTICS SERVICES S.A | Greece | 99,68% | Direct | Full | 2017 – 2022 |
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY | Greece | 20% | Direct | Full | 2022 |
| LOULIS INTERNATIONAL FOODS ENTERPRISES BULGARIA LTD | Cyprus | 100,00% | Direct | Full | 2018 – 2022 |
| LOULIS MEL- BULGARIA EAD | Bulgaria | 100,00% | Indirect | Full | 2016 – 2022 |

LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY

On December 15, 2022 the Articles of Association dated 31.11.2022 of energy community incorporation has been registered to the General Commercial Registry by which the subsidiary under the name "LEP ENERGY COMMUNITY COOPERATIVE SOCIETY WITH LIMITED LIABILITY" has been set up. The parent Company "LOULIS FOOD INGREDIENTS SA" holds 20,00% of the subsidiary and initial share capital € 60.000. The subsidiaries "KENFOOD SA" and "LOULIS LOGISTICS SERVICES SA" each hold 20,00% of the newly established subsidiary. Energy Community is a civil law non-profit association of sole purpose mainly engaged in the production, distribution and trade of electric power from renewable energy plants. On March 8, 2023 the payment of the initial capital of € 60.000,00 by the founding members has been verified.

# 6. Basis for the preparation of the Financial Statements

## 6.1 Compliance with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS)

The financial statements of LOULIS FOOD INGREDIENTS S.A. are in accordance with the International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and have been adopted by the European Union.

## 6.2 Basis for the preparation of the Financial Statements

The Company's Financial Statements have been prepared on the basis of going concern and in accordance with the 'historic cost' principle except of some assets and liabilities which, according to the requirements of IFRS, are valuated at fair value.

## 6.3 Reporting Period

The current consolidated financial statements include the financial statements of LOULIS FOOD INGREDIENTS SA and the Company's subsidiaries (Group) and refer to the period from January 1st, 2021 to December 31st, 2022.

## 6.4 Presentation of Financial Statements

The financial statements of the Group and the Company are presented in euro which is the operating currency of both the Group and the Company.

## 6.5 Significant Accounting Policies

The significant accounting policies applied in the preparation of the Financial Statements of the Group and the Company are referred to note 6.8 "Accounting Principles Applied" . The policies are applied with consistency for all the periods except of some cases for which a relative disclosure is made.

## 6.6 Significant Accounting Estimations

The preparation of the financial statements requires the use of significant estimates and assumptions, as well as management's judgment in the application of accounting policies. The areas which required significant assumptions and estimations are referred to note 6.9 "Significant Accounting Estimates and Judgements" .

## 6.7 Change in Accounting Policies

### a) New standards, interpretations and amendments of the existing standards applied in the Financial Statements

| Title | Applied in annual accounting periods beginning on |
|---|---|
| Annual Improvements to IFRSs - 2018-2020 cycle | 1 January 2022 |
| IAS 16 Property, Plant and Equipment (Amendment – Proceeds before Intended Use) | 1 January 2022 |
| IAS 37 Provisions, Contingent Liabilities and Contingent Assets (Amendment – Onerous Contracts – Cost of Fulfilling a Contract) | 1 January 2022 |
| IFRS 3 Business Combinations (Amendment – Reference to the Conceptual Framework) | 1 January 2022 |

The amendments that are applied compulsorily did not have a significant impact on the Financial Statements of the Group and the Company .

### b) New Accounting Standards, amendments of standards and Interpretations that are mandatorily applied in subsequent periods

| Title | Applied in annual accounting periods beginning on |
|---|---|
| IFRS 17 Insurance Contracts | 1 January 2023 |

| Title | Applied in annual accounting periods beginning on |
|---|---|
| IFRS 17 Insurance contracts (Amendment - Initial Application of IFRS 17 and IFRS 9 – Comparative Information) | 1 January 2023 |
| IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 (Amendment - Disclosure of Accounting policies) | 1 January 2023 |
| IAS 8 Accounting policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates) | 1 January 2023 |
| IAS 12 Income Taxes (Amendment - Deferred Tax related to Assets and Liabilities arising from a Single Transaction) | 1 January 2023 |
| IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment – Classification of Liabilities as Current or Non-current) | 1 January 2024 |
| IFRS 16 Leases (Amendment - Lease Liability in a Sale and Leaseback) | 1 January 2024 |

The Company (or the Group) is currently investigating the impact of the new standards and amendments on its financial statements. The Company (or the Group) does not believe these standards and interpretations will have a material impact on the financial statements once adopted.

## 6.8 Accounting Principles Applied

The Group consistently applies the following accounting principles in the preparation of the attached Financial Statements:

### 6.8.1 Subsidiaries

The Group's subsidiaries are legal entities on which the Group has the ability to set the operational and financial policies, by participating directly or indirectly in their share capital with a voting right over 50%.

Subsidiaries are fully consolidated from the date that control is transferred to the Group and cease to be consolidated from the date that this control no longer exists. The accounting method of the acquisition is used for the accounting entries of the subsidiaries' acquisition by the Group. The acquisition cost is calculated as the sum of the present value of the acquired assets, the issued shares and the existing or undertaken liabilities plus any costs that are directly related to the acquisition, during the transaction date.

The acquired assets, liabilities and contingent liabilities are initially measured at their present value upon the cost acquisition date and the present value of the acquired subsidiary's equity is recorded as goodwill.

The intragroup transactions, the account balances and the profits realised that arose from transactions between the companies of the Group are deleted. The losses realised are deleted but are considered as an impairment indicator for the transferred asset.

### 6.8.2 Foreign Currency Translation

Operating Currency and Reporting Currency

The Financial Statements of the Group's subsidiaries are presented in the local currency of the country where they operate. The consolidated Financial Statements are presented in euro, which is the operating currency and reference currency for the Company and the Group.

Transactions and balances

Transactions in foreign currency are translated to the operating currency using exchange rates in effect during the date of the transactions. Profit and losses from foreign exchange difference, which arise from the settlement of such transactions during the period and from the conversion of monetary items expressed in foreign currency are registered in the results.

Companies of the Group

The operating results and the equity of all the companies of the Group (excluding those companies operating in hyper inflationary economies) of which operating currency is different than the reference currency of the Group, are translated into the reference currency of the Group as follows:

- The assets and liabilities are translated to euro according to the closing exchange rate during the balance sheet date.
- Income and expenses of P&L of each company are translated into the Group's reference currency at average exchanges rates of each reported period.
- Any differences that arise from this procedure have been transferred to a separate equity reserve account.

### 6.8.3 Goodwill

Goodwill arisen from merge/acquisition of companies initially is recognized at cost which is the excess amount of the merge cost, over the Group's proportion in the fair value of the acquired net assets.

Following the initial recognition, goodwill is measured at cost less any accumulated impairment loss. The Group conducts impairment tests annually. Impairment loss recorded for goodwill is not reversible in subsequent periods.

### 6.8.4 Other Intangible Assets

Intangible assets acquired separately are presented at historical cost. Intangible assets acquired as part of business combinations are recognized at their fair value at the acquisition date.

After initial recognition, intangible assets are measured at historical cost less accumulated depreciation and accumulated impairment losses. Internally generated intangible assets, other than capitalized development costs, are not capitalized and expenses are recognized in the income statement in the period in which they are incurred.

Software programs and the relative licenses that are separately acquired are capitalized on the basis of the costs incurred for the acquisition and installation of that software when they are expected to generate financial benefits for the Group beyond an economic year. Expenditure incurred for the maintenance of software programs is recognized as an expense when incurred.

### 6.8.5 Property, Plant and Equipment

Land-plots and buildings that mainly consist of industrial sites are presented in the financial statements at fair value, based on the evaluation of external independent expert, minus the subsequent accumulated depreciation amount.

Depreciation of tangible fixed assets is calculated on a straight-line basis in order to allocate the cost or the fair value of the asset onto their estimated useful lives.

The useful economic lives are as follows:

| | years |
|---|---|
| Buildings | 25-40 |
| Facilities and machinery | 20-35 |
| Vehicles | 5–9 |
| Furniture and Other Equipment | 1-10 |

The residual values and useful lives are subject to reassessment at each Balance Sheet date, if necessary.

Expenses for repairs and maintenance for the fixed assets are charged to the income account statement within the period incurred. The cost of significant renovations and other subsequent expenses is included in the value of the fixed asset if the possible future financial benefits that shall arise for the Group are higher than those originally expected regarding the initial performance of that fixed asset. Significant renovations are depreciated during the remaining useful life of the relevant fixed asset.

Profit and loss from fixed assets disposals are determined by comparing the cash collections with the book value and is charged in the P&L account.

### 6.8.6 Investment Property

Investment Property is held to generate rental income or profit from their resale. Property used for the operating activities of the Group is not considered to be investment property but operating property. This is also the criteria that differentiates investment property from operating property.

Investment Property as non-current assets is presented at fair value which is determined in-house annually, based upon similar transactions that have taken place close to the Balance Sheet date. Any change in fair value which represents the free market value is charged in the other operating income account of the income statement.

Following their initial recording, the investments in property is recorded at fair value.

### 6.8.7 Inventory

Inventories are valuated at the lowest price between acquisition cost and net realizable value. The cost of inventories is defined using the weighted average method. The cost price of finished products and semi-finished inventories includes raw materials, direct labour costs, as well as direct expenses and other general expenses related to the production excluding the borrowing cost. Net realizable value is the estimated sale price, during the normal course of the company's activities, minus the estimated cost necessary for the sale.

### 6.8.8 Financial Instruments

Financial assets are classified at initial recognition and subsequently measured at amortized cost, at fair value through other comprehensive income and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the contractual characteristics of the cash flows of the financial asset and the business model of the Group for their management. With the exception of trade receivables that do not contain a significant financial component, the Group initially measure financial assets at their fair value plus, in the case of a financial asset not valued through profit or loss, transaction costs. Receivables from customers that do not have a significant financial component are valued at the transaction price determined in accordance with IFRS 15.

In order for a financial asset to be classified and measured at amortized cost or at fair value through total income, cash flows that are "exclusive capital and interest payments (SPPIs)" of the original capital must be obtained.
The Group's business model for managing financial assets refers to the way in which it manages its financial capabilities to generate cash flows. The business model determines whether cash flows arise from the collection of contractual cash flows, the sale of financial assets, or both.

The purchase or sale of financial assets that require the delivery of assets within a timeframe specified by a regulation or a contract on the market is recognized on the trade date meaning on the date on which the Group commits to purchase or sell the asset.

For the purpose of subsequent measurement, financial assets are classified in the following categories:

- (a) Financial assets measured at fair value through profit or loss
- (b) Financial assets at amortized cost
- (c) Financial assets measured at fair value through total income without recycling of cumulative gains and losses on de-recognition

(a) Financial assets measured at fair value through profit or loss

Financial assets valued at fair value through profit or loss include financial assets held for trading, financial assets designated at initial recognition at fair value through profit or loss, or financial assets that are required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for sale or repurchase in the near future. Derivatives, including embedded derivatives, are also classified as held for trading, unless defined as effective hedging instruments. Financial assets with cash flows that are not only capital and interest payments are classified and measured at fair value through profit or loss, irrespective of the business model

(b) Financial assets at amortized cost

The Company and the Group measure financial assets at amortized cost if both of the following conditions are met: (a) the financial asset is retained in a business model in order to hold financial assets for the collection of contractual cash flows; and (b) the contractual clauses of the financial asset generate cash flows on specific dates that consist only of capital and interest payments on the balance of the original capital.

Gains and losses are recognized in profit or loss when the asset is derecognized, modified or impaired .

(c) Financial assets classified at fair value through total income

Upon initial recognition, the Company and the Group may choose to irrevocably classify its equity investments as equity instruments at fair value through total income when they meet the definition of equity in accordance with IAS 32 Financial Instruments: Presentation and not held for trading purposes. Classification is determined by financial instrument.

Profits and losses from these financial assets are never recycled to profits or losses. Dividends are recognized in the income statement when the payment entitlement has been established, unless the Company benefits from such income as a recovery of part of the cost of the financial asset, so that the gains are recognized in the statement of comprehensive income. Equity instruments measured at fair value through total income are not subject to an impairment test.

A financial asset is derecognized primarily when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred their rights to receive cash flows from the asset or have undertaken to fully pay the cash flows received without significant delay to a third party under a pass-through agreement and either (a) the Group has transferred substantially all the risks and rewards of the asset or (b) the Group has not transferred or held substantially all the risks and estimates of the asset but have transferred the control of the asset.

When the Group has transferred the rights to receive cash flows from an asset or have entered into a transfer agreement, they assess whether and to what extent they own the risks and rewards of ownership.

When the Group has not transferred or hold substantially all the risks and rewards of the asset and have not transferred ownership of the asset, they continue to recognize the transferred asset to the extent of its continued involvement. In this case, the Group also recognize any relevant obligation. The transferred asset and the related liability are valued on the basis of the rights and obligations that the Group hold.

Further disclosures about impairment of financial assets are also provided in the following notes:

- Disclosure of important assumption
- Customers' receivables

### 6.8.9 Trade Receivables

Receivables from customers are recognized when there is an unconditional right to receive the consideration for the client's contractual obligations to the entity. A contract asset is recognized when the Group has satisfied its obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Group's right to issue an invoice. Receivables from customers on credit are initially recognized at their fair value, which corresponds to the nominal value, net of impairment losses

Regarding non-doubtful trade receivables, the Group applies the simplified approach of IFRS 9 and calculates the expected credit losses over the life of the receivables. For this purpose, the Group uses a maturity forecast table based on the historical data for credit losses, adjusted for future factors in relation to borrowers and the economic environment. The bad debts are evaluated one by one for the calculation of the relevant provision. The amount of the provision is recognized in the statement of comprehensive income.

### 6.8.10 Cash and Cash Equivalents

For the purpose of the cash flow statement, cash and cash equivalents consist of cash in hand and deposits in the bank net of bank overdrafts. In the balance sheet, bank overdrafts are included in the borrowings and in particular within the short-term liabilities.

### 6.8.11 Share Capital

Expenses incurred for the issuance of shares are presented after the deduction of the relevant income tax decreasing the product of the issuance. Expenses related to the issuance of shares for the acquisition of companies are included in the cost of acquisition of the acquired entities.

### 6.8.12 Loans

Loans are recognized at the initial granted amount net of any financial cost. Any difference arisen between the received amount (net of relevant expenses) and the repayment value is recognized in the results during the borrowing term according to the actual interest rate method.

### 6.8.13 Leases

Leases are recognized in the Statement of Financial Position as a right to use an asset and a lease obligation on the date that the leased asset becomes available for use except for:

- Short-term leases and
- Leasing of fixed assets with insignificant value

The lease liabilities are initially measured at the present value of leases which were not paid at the commencement of lease. They are discounted with the implied lease rate or, if this particular rate cannot be determined from the agreement, via the interbank rate (IBR). The latter is defined as the cost which the lessor would have to pay in order to borrow the necessary capital and then purchase an asset of similar value with the leased asset in a similar financial environment and with similar terms and conditions.

The lease liabilities include the net present value of the following:

- Fixed leases (including the ones that are essentially fixed leases)
- Variable leases which are dependent on any indicator
- Residual value which is expected to be paid
- Exercise price of a buy option if the lessor is almost certain regarding the exercise of the option
- Charges relating to the termination of a lease if the lessor selects the particular option

The utilization rights relating to assets are initially being measured at cost and then are reduced by the amount of the cumulative amortization and impairment. Finally, they are adjusted after certain re-measurements of the respective lease liability take place.

The initial measurement of the utilization rights for assets consists of the following:

- The amount of the initial measurement of the lease liability
- The payment of leases that occurred at the opening date or prior to this, reduced by the amount of the offered discounts or other values
- The initial expenses which are directly linked to the lease payment
- The recovery costs

Each lease payment is allocated between the lease liability and the interest expense, which is charged against results throughout the entire leasing period, so that a fixed interest rate is achieved with regard to the balance of the financial liability in each period. The utilization right relating to an asset is amortized at the shortest period between the economic life of the asset and the term of its leasing, based on the straight line method.

Lease liabilities are remeasured when there is a change in future lease payments arising from a change in an index or rate or when there is a change in the assessment of the term of any lease.

### 6.8.14 Personnel Benefits

Short-term benefits:

Short-term benefits to personnel (excluding termination benefits) in money and in kind are recognized as an expense when deemed payable. Portions of the benefit yet unpaid are classified as a liability, whereas if the amount already paid exceeds the benefit then the company recognizes the excess amount as an asset (prepaid expenses) only to the extent to which the prepayment will result in a reduction in future payments or to a fund return.

Retirement benefits:

Post-employment benefits include lump sum indemnities, pensions or other benefits which the company offers after the termination of employment to the employees as acknowledgement of their services. Thus, they include both defined contribution schemes as well as defined benefits schemes. The accrued cost of the defined contributions scheme is registered as an expense in the relative period. Post-employment benefits, adopted by the Group, are partly funded through payments to insurance companies or state social insurance institutions.

Defined Contribution Plan

Defined benefits plans are relating to contributions to Insurance Carriers (e.g. Social Security), so the Group does not have any legal obligation in the event that the State Fund is unable to pay a pension to the insured. The employer's obligation is limited to the payment of employer contributions to the insurance companies or state social insurance institutions. The payable contribution from the Group to a defined contribution scheme, is recognized as liability, after deduction of the paid contribution whereas accrued contributions are recognized as an expense in the financial results.

Defined Benefit Plan

According to L.2112/2020 and 4093/2012 the Group is obliged to compensate it's employees in case of retirement or dismissal. The amount of the compensation paid depends on the years of service, the level of wages and the removal from service (dismissal or retirement). The entitlement to participate in these programs is based on the last 16 years of service of the employee until retirement following the scale of Law 4093/2012. The liability that is reported in the Statement of Financial Position is the present value of the liability for the defined benefit with the deduction of the fair value plan assets (reserve of payments to the insurance company) and the resulting change from any actuarial gain or losses and the past service cost. The commitment of the defined benefit is calculated annually by an independent actuary with the use of the Projected Unit Credit Method. Based on of the Projected Unit Credit Method the cost of retirement benefit is calculated as the actuarial present value at the valuation date that the employee shall receive based on the projected benefit and years of past service to the company until that date. The benefit is calculated on the basis of projected salary at the age of retirement. A defined benefit plan defines particular obligations for benefits based on various assumptions such as age, years of past service and wage. The provisions for the period are included in personnel cost (consolidated and company's financial statements) and consist of current and past service cost, the relative financial cost, actuarial gains or losses and any possible additional charges. Regarding unrecognized actuarial gains or losses the revised IAS 19R is followed, which includes a number of changes in accounting for defined benefit plans, including:

- The recognition of actuarial gains/losses in other comprehensive income and permanent exclusion from the year's income statement
- The expected returns on investment of the program of each period is not recognized according to the expected returns but it is recognized the interest on net liability / (asset) according to the discount rate used to measure the defined benefit obligation
- The recognition of past service cost in the financial results of the year at the earlier of the following dates: (a) when the plan amendment occurs or (b) when the entity recognizes related restructuring costs or termination benefits
- Other changes include new disclosures as quantitative sensitivity analysis.

### 6.8.15 Grants

The Group recognizes state grants that cumulatively meet the following criteria: (a) there is presumed certainty that the company has complied or will comply with the grant terms and (b) it is probable that the amount of the grant will be recovered. They are recorded at fair value and are recognized in a systematic way in the revenue, based on the principle of the correlation of the grants with the corresponding costs they are subsidizing. Grants relating to assets are included in long-term liabilities as deferred income (deferred income) and are recognized as revenue over the useful life of the fixed asset.

### 6.8.16 Recognition of Income

Under IFRS 15, revenue is recognized in the amount that the group expects to be entitled to in exchange for the transfer of the goods or services to a customer. The standard also defines the accounting for the additional costs of taking out a contract and the direct costs required to complete the contract.

Revenue is defined as the amount that an entity expects to be entitled to receive in exchange for the goods or services it has transferred to a client, except for amounts collected on behalf of third parties (value added tax, other sales tax). Variable amounts are included in the consideration and are calculated using either the "expected value" method or the "most likely amount" method

An economic entity recognizes revenue when (or as it) meets the obligation to execute a contract by transferring the goods or services promised to the customer. The customer acquires control of the good or service if the customer is able to direct the use and derive virtually all the economic benefits from that good or service. Control is passed over a period or at a specific time.

Revenue from the sale of goods is recognized when the control of the good is transferred to the customer, usually upon delivery, and there is no unfulfilled obligation that could affect the acceptance of the good by the customer.

The customer receivable is recognized when there is an unconditional right for the entity to receive the consideration for the contractual obligations performed to the customer. A contract asset is recognized when the Company and the Group have satisfied their obligations to the customer before the customer pays or before the payment is due, for example when the goods or services are transferred to the customer prior to the Company's right and Group to issue an invoice

The contractual obligation is recognized when the Company and the Group receive a consideration from the client (prepayment) or when it retains the right to a price that is unconditional (deferred income) before performing the obligations of the contract and the transfer of the goods or services. The contractual obligation is de-recognized when the contractual obligations are executed and the income is recorded in the income statement.

Classification of revenue is as follows:

- Sales of goods. Sales of goods are recognized when the Group delivers the property and risks associated with the ownership of the goods to the customers, the goods are accepted by them and the collection of the receivable is reasonably assured.
- Interest Income. Interest Income is recognized on a time proportion basis using the effective interest rate.
- Rental Income. Receivables from rentals are recognized in the income statement on the basis of the rental amount corresponding to the period under review.
- Income from Dividends. Dividends are recognized as income when the right to receive the dividend is established.

### 6.8.17 Income Tax and Deferred Tax

The income tax of the Group's subsidiaries and associates is calculated in accordance with the relevant legislation applied at the Balance Sheet date within the countries they operate and the taxable income arises. The Management periodically examines the tax calculations and, in cases where the relevant tax legislation is subject to different interpretations, forms a relevant provision for the additional amount expected to be paid to the local tax authorities.

Deferred income tax is determined using the liability method that results from the temporary differences between the carrying amount and the tax base of assets and liabilities. Deferred income tax is not calculated if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that, when the transaction took place, did not affect either the accounting or tax profit or loss.

Deferred tax is determined using the tax rates that are expected to apply during the period in which the receivable or liability will be settled, taking into account the tax rates (and tax laws) that have been applied at the balance sheet date Deferred tax assets are recognized to the extent that a future taxable profit is to arise for the use of the temporary difference that creates the deferred tax asset.

Deferred income tax is recognized for the temporary differences arising from investments in subsidiaries and associates, unless the reversal of temporary differences is controlled by the Group and it is probable that temporary differences will not reverse in the near future.

### 6.8.18 Contingent Liabilities and Provisions

Provisions are booked when the Group has a present, legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably measured.

Contingent liabilities are not recorded in the financial statements but are disclosed.

### 6.8.19 Dividend Distribution

Dividend distribution to shareholders of the parent from the period's profit, are recognized as a liability in the consolidated Financial Statements on the date when the distribution is approved by the General Shareholders' Meeting

### 6.8.20 Related Party Disclosures

Related party disclosures are covered by IAS 24 which refers to transactions of an entity that prepares Financial Statements with its related parties. Its primary element is the economic substance and not the legal type of the transactions.

## 6.9 Significant Accounting Estimates and Judgements

The preparation of the financial statements requires estimates and assumptions made by Management that affect the disclosures in the Financial Statements. Management continuously assesses these estimates and assumptions. Estimates and judgments are continuously evaluated and are based on empirical data and other factors, including expectations for future events that are expected under reasonable conditions. Estimates and assumptions are the basis for making decisions about the carrying amounts of assets and liabilities that are not readily available from other sources. The resulting accounting estimates, by definition, will rarely match exactly with the corresponding actual results. Estimates and assumptions that entail a material risk of causing material changes in the amounts of receivables and payables in the following year are set out below.

### 6.9.1 Impairment of Goodwill

The Group assesses whether there is impairment of goodwill at least on an annual basis. Therefore, it is necessary to estimate the value in use of each cash-generating unit to which goodwill has been allocated. Estimated value in use requires the Group to estimate the future cash flows of the cash-generating units and to select the appropriate discount rate, based on which the present value of the future cash flows will be determined.

### 6.9.2 Estimation of the Useful Life of Assets and Residual Values

Tangible assets are depreciated over their estimated useful lives. The actual useful life of fixed assets is valued on an annual basis and may vary due to various factors.

### 6.9.3 Fair Value Measurement

Some of the assets and liabilities that are included in the Financial Statements of the Group require their measurement at fair value, and/or the publication of this fair value. The Group measures the Tangible Fixed Assets and Real Estate to be invested at fair value. The fair value is determined by approved appraiser. These estimates are also being re-evaluated shortly due to the pandemic crisis.

### 6.9.4 Right of Use Assets

The main assumptions of the Group regarding right of use assets concern the identification of lease agreements within certain transactions, the terms of lease-contract renewal and the determination of the discount rate.

### 6.9.5 Impairment of Assessment of the value of Investments in Subsidiaries

The Group tests the value of investments in subsidiaries for impairment when facts or conditions make the possibility for impairment more likely. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. For calculating the value-in-use, the estimated cash flows are discounted to their present value using a discount rate. For determining the estimated cash flows, Management's estimations regarding the level of future profitability and assessment of current market conditions are used. The main assumptions used relate to the following factors: discount rate, sales figures of the next five years, gross margin and growth rate after 5 yrars. The above calculations require the use of estimates.

### 6.9.6 Provision of the Net Realizable Value of Inventories

The management makes the necessary estimates for the calculation of the net realizable value including the maturity of inventories, their movement through use as well as future selling plans.
The management makes estimates for the calculation of any provision for impairment of inventories at each reporting date.

### 6.9.7 Provisions for Expected Credit Losses from Customer Receivables

The Group applies the simplified approach of IFRS 9 for the calculation of expected credit losses, according to which the provision for impairment is always measured at the amount of the expected credit losses over the life of the receivables from customers. At each balance sheet date, the historical percentages used and the estimates of the future financial situation are updated. The correlation between the historical data, the future financial situation and the expected credit losses includes significant estimates. The amount of expected credit losses depends to a large extent on the changes in the conditions and forecasts of the future financial situation.

### 6.9.8 Valuation of Financial Instruments

The valuation of derivative financial instruments is based on market positions at the balance sheet date. The value of the derivatives changes on a daily basis and the actuarial amounts may differ significantly from their value at the balance sheet date.

### 6.9.9 Provision for Staff Compensation

Liabilities for employees' compensation are calculated using actuarial methods that require Management to assess specific criteria such as future employee salary increases, the discount rate for these liabilities, employee retirement rates, etc. Management tries at each reporting date when this provision is revised, to assess the criteria as effectively as possible.

### 6.9.10 Deferred Tax Liabilities

Management's significant estimates are required to determine the amount of deferred tax liability that may be recognized based on the probable period and amount of future taxable profits combined with the entity's tax planning.

### 6.9.11 Income Tax

Group's companies are subject to different income tax laws. In determining the Group's income tax estimation, a significant subjective judgment is required. During the normal course of business, many transactions and calculations are made for which the exact tax calculation is uncertain. In the case that the final taxes arising after the tax audits are different from the amounts initially recorded, such differences will affect income tax and deferred tax provisions in the period that the determination of tax differences has occurred.

### 6.9.12 Contingent Liabilities

The existence of contingent liabilities requires the Management to continuously make assumptions and judgments regarding the probability that future events will occur or not, and the effect that these events may have on the Group's operation.

### 6.9.13 Weighted average number of shares

The use of the weighted average number of shares represents the likelihood of changing the amount of the share capital during the year due to the larger or smaller number of shares that remain in circulation at each time. Judgment

is required to determine the number of shares and the time of their issuance. The calculation of the weighted average number of shares affects the calculation of basic and adjusted earnings per share.

# 7. Analysis of the Financial Statements

## 7.1 Information by segment

### Geographic segments

The Group's revenues and results are distributed by geographical region depending on the country where the headquarters of the Group's companies are located, as follows:

| | GREECE | | CYPRUS | | BULGARIA | | Consolidation deletions | | Group | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue | 186.427.168 | 128.974.872 | 0 | 0 | 20.618.786 | 9.362.297 | (9.137.754) | (3.428.699) | 197.908.200 | 134.908.470 |
| Gross Profit | 24.448.270 | 18.815.589 | 0 | 0 | 3.512.886 | 742.583 | (20.000) | (37.000) | 27.941.156 | 19.521.172 |
| Earnings before Interest, Tax, Depreciation and Amortization | 10.093.189 | 7.774.028 | 0 | | 2.060.079 | 76.524 | 0 | 0 | 12.153.268 | 7.850.552 |
| Profits before Tax | 962.079 | 1.149.308 | 0 | 0 | 1.473.642 | (341.860) | 0 | 0 | 2.435.721 | 807.448 |
| Fixed Assets | 97.562.414 | 94.188.364 | 0 | 0 | 11.929.519 | 10.900.135 | (1.829.665) | (1.513.392) | 107.662.268 | 103.575.107 |
| Other Assets | 121.492.264 | 101.428.030 | 0 | 0 | 11.769.154 | 8.648.539 | (18.055.223) | (17.051.364) | 115.206.195 | 93.025.205 |
| **TOTAL ASSETS** | **219.054.678** | **195.616.394** | **0** | **0** | **23.698.673** | **19.548.674** | **(19.884.888)** | **(18.564.756)** | **222.868.463** | **196.600.312** |
| Equity | 100.336.704 | 97.449.625 | 0 | 0 | 11.384.354 | 9.905.647 | (14.174.033) | (14.174.033) | 97.547.025 | 93.181.239 |
| Liabilities & Other Liabilities | 118.717.974 | 98.166.769 | 0 | 0 | 12.314.319 | 9.643.027 | (5.710.855) | (4.390.723) | 125.321.438 | 103.419.073 |
| **TOTAL EQUITY & LIABILITIES** | **219.054.678** | **195.616.394** | **0** | **0** | **23.698.673** | **19.548.674** | **(19.884.888)** | **(18.564.756)** | **222.868.463** | **196.600.312** |

## Product Segments

The Group divides its operations into three main segments based on product category:
a) Professional Flour Mill Products,
b) Consumer products & Bakery and Pastry Mixtures,
c) Mixtures & Raw Material for Bakery & Pastry.

More specifically:
a) "Professional Flour Mill Products" include Flour, Semolina and Flour By-products and are available in bulk and professional packaging. They are addressed to food industries, bakers and breeders for professional use.
b) "Consumer products of Flour Mill & Bakery and Pastry Mixtures" include Flour, Semolina and Mixtures for Bakery and Pastry and are available in packages up to 5kg. They are addressed to consume for domestic use.
c) "Mixtures & Raw Materials for Bakery and Pastry" are available in professional packaging and are addressed to food industries, food crafts and bakers for professional use. Management monitors all sales, operating results and profit / (loss) before tax separately in respect of of making decisions regarding allocation of resources and performance assessment of each segment.

The information regarding segments of operation is as follows:

**Group**

| | 01.01.2022 - 31.12.2022 | | | | | |
|---|---|---|---|---|---|---|
| | **Professional Products** | **Consumer Products and Bakery and Pastry Mixtures** | **Mixtures and Raw Materials of Bakery and Pastry** | **Cereal** | **Other Goods and Services** | **Total** |
| Total Revenue From Gross Sales Per Segment | 135.791.336 | 16.814.701 | 13.104.118 | 40.919.171 | 416.628 | 207.045.954 |
| Revenue from Intra-Company Sales | (759.054) | (24.792) | (1.799.967) | (6.359.626) | (194.315) | (9.137.754) |
| **Revenue from Sales (Net)** | **135.032.282** | **16.789.909** | **11.304.151** | **34.559.545** | **222.313** | **197.908.200** |
| **Profit/(Loss) before Interest and Tax** | 6.166.572 | 257.893 | (125.686) | 366.309 | 250.003 | **6.915.091** |
| **Profit/(Loss) before Tax** | 2.102.737 | 54.621 | (291.699) | 366.309 | 203.753 | **2.435.721** |

| | 01.01.2021 - 31.12.2021 | | | | | |
|---|---|---|---|---|---|---|
| | **Professional Products** | **Consumer Products and Bakery and Pastry Mixtures** | **Mixtures and Raw Materials of Bakery and Pastry** | **Cereal** | **Other Goods and Services** | **Total** |
| Total Revenue From Gross Sales Per Segment | 91.388.518 | 14.032.689 | 9.222.830 | 23.073.433 | 619.699 | 138.337.169 |
| Revenue from Intra-Company Sales | (542.047) | (28.653) | (1.243.541) | (1.227.616) | (386.842) | (3.428.699) |
| **Revenue from Sales (Net)** | **90.846.471** | **14.004.036** | **7.979.289** | **21.845.817** | **232.857** | **134.908.470** |
| **Profit/(Loss) before Interest and Tax** | 1.389.604 | 113.518 | 438.928 | 321.995 | 388.364 | **2.652.409** |
| **Profit/(Loss) before Tax** | 286.179 | (431.306) | 260.493 | 321.995 | 370.087 | **807.448** |

**Company**

| | 01.01.2022 - 31.12.2022 | | | | |
|---|---|---|---|---|---|
| | **Professional Products** | **Consumer Products and Bakery and Pastry Mixtures** | **Cereal** | **Others Goods and Services** | **Total** |
| Total Revenue From Gross Sales Per Segment | 121.740.552 | 16.814.701 | 34.372.387 | 375.410 | 173.303.050 |
| **Revenue from Sales (Net)** | **121.740.552** | **16.814.701** | **34.372.387** | **375.410** | **173.303.050** |
| **Profit/(Loss) before Interest and Tax** | 4.645.604 | 257.893 | 312.547 | 129.482 | **5.345.526** |
| **Profit/(Loss) before Tax** | 824.088 | 54.621 | 312.547 | 88.828 | **1.280.084** |

| | 01.01.2021 - 31.12.2021 | | | | |
|---|---|---|---|---|---|
| | **Professional Products** | **Consumer Products and Bakery and Pastry Mixtures** | **Cereal** | **Other Goods and Services** | **Total** |
| Total Revenue From Gross Sales Per Segment | 83.347.366 | 14.032.689 | 21.763.320 | 571.667 | 119.715.042 |
| **Revenue from Sales (Net)** | **83.347.366** | **14.032.689** | **21.763.320** | **571.667** | **119.715.042** |
| **Profit/(Loss) before Interest and Tax** | 1.872.410 | 113.518 | 300.124 | 172.857 | **2.458.909** |
| **Profit/(Loss) before Tax** | 876.160 | (431.306) | 300.124 | 157.290 | **902.268** |

## 7.2 Property, Plant and Equipment

The change in the tangible assets of the Group and the Company is presented to the table below :

**Group**

| | **Land** | **Buildings** | **Investment Property** | **Machinery** | **Vehicles** | **Furniture & Fittings** | **Assets Under Construction** |
|---|---|---|---|---|---|---|---|
| Purchase Cost 31.12.2021 | 15.544.624 | 86.858.671 | 53.219.279 | 1.725.241 | 5.266.034 | 3.030.484 | 165.644.333 |
| Accumulated Depreciation 31.12.2021 | 0 | (33.158.940) | (24.958.214) | (1.081.155) | (3.390.909) | 0 | (62.589.218) |
| **Net Book Value 31.12.2021** | **15.544.624** | **53.699.731** | **28.261.065** | **644.086** | **1.875.125** | **3.030.484** | **103.055.115** |
| Acquisitions | 0 | 1.228.680 | 1.121.927 | 219.464 | 393.597 | 891.747 | 3.855.415 |
| Disposals & Transfers-Purchase Cost | 0 | 2.231.343 | 205.849 | (158.245) | (33.842) | (2.531.671) | (286.566) |
| Disposals & Transfers-Accumulated Depreciation | 0 | 993 | 37.782 | 142.123 | 38.877 | 0 | 219.775 |
| Revaluations | 1.497.000 | 3.378.372 | 0 | 0 | 0 | 0 | 4.875.372 |
| Depreciations | 0 | (2.469.305) | (1.646.312) | (126.636) | (330.576) | 0 | (4.572.829) |
| **Net Book Value 31.12.2022** | **17.041.624** | **58.069.814** | **27.980.311** | **720.792** | **1.943.181** | **1.390.560** | **107.146.282** |

**Company**

| | **Land** | **Buildings** | **Investment Property** | **Machinery** | **Vehicles** | **Furniture & Fittings** | **Assets Under Construction** |
|---|---|---|---|---|---|---|---|
| Purchase Cost 31.12.2021 | 14.213.000 | 81.317.637 | 48.897.312 | 1.167.379 | 4.312.957 | 626.266 | 150.534.551 |
| Accumulated Depreciation 31.12.2021 | 0 | (32.734.637) | (24.217.403) | (911.956) | (2.927.476) | 0 | (60.791.472) |
| **Net Book Value 31.12.2021** | **14.213.000** | **48.583.000** | **24.679.909** | **255.423** | **1.385.481** | **626.266** | **89.743.079** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Acquisitions | 0 | 103.685 | 1.016.407 | 87.243 | 202.799 | 787.055 | 2.197.189 |
| Disposals & Transfers-Purchase Cost | 0 | 118.688 | 205.849 | (158.245) | (4.393) | (413.174) | (251.275) |
| Disposals & Transfers-Accumulated Depreciation | 0 | 993 | 37.782 | 142.123 | 3.636 | 0 | 184.534 |
| Revaluations | 1.497.000 | 3.378.372 | 0 | 0 | 0 | 0 | 4.875.372 |
| Depreciations | 0 | (2.320.710) | (1.519.308) | (62.551) | (242.345) | 0 | (4.144.914) |
| **Net Book Value 31.12.2022** | **15.710.000** | **49.864.028** | **24.420.639** | **263.993** | **1.345.178** | **1.000.147** | **92.603.985** |

It is noted that the latest valuation of the Company's and the Group's main land, buildings and investment property at fair value has been conducted on 31.12.2022. The valuation has been conducted by a qualified valuator based on the institutional rules. The method used for the measurement of the fair value of those assets is presented in the 2nd level (Note 8.1).

## 7.3 Investment Property

The Investment Property of the Group and the Company are analyzed as follows:

**Group**

| | **Investment Property** |
|---|---|
| Purchase Cost 31.12.2021 | 602.161 |
| Accumulated Depreciation 31.12.2021 | (82.169) |
| **Net Book Value 31.12.2021** | **519.992** |
| Acquisitions | 906.434 |
| Disposals & Transfers-Purchase Cost | (724.895) |
| Disposals & Transfers-Accumulated Depreciation | 4.895 |
| Revaluations | (185.545) |
| Depreciations | (4.895) |
| **Net Book Value 31.12.2022** | **515.986** |

**Company**

| | **Investment Property** |
|---|---|
| Purchase Cost 31.12.2021 | 582.169 |
| Accumulated Depreciation 31.12.2021 | (82.169) |
| **Net Book Value 31.12.2021** | **500.000** |
| Acquisitions | 906.434 |
| Disposals & Transfers-Purchase Cost | (724.895) |
| Disposals & Transfers-Accumulated Depreciation | 4.895 |
| Revaluations | (185.545) |
| Depreciations | (4.895) |
| **Net Book Value 31.12.2022** | **495.994** |

On June 30, 2022 an evaluation of the fair value of the Company's property (land and building), in Tyrnavos, Thessally has been carried out. The property has been acquired on March 30, 2022 and has been classified as an Investment Property in accordance with the provisions of IAS 40.

The decrease of the item "Investment Property" of the Group and the Company in the current fiscal year is due to the sale of company's property (land and building) in Tyrnavos, Thessaly, which took place on November 16,2022. The result of this sale is analyzed in note 7.26.

It is noted that the latest evaluation of fair value of the Group's and Company's Investment Property was carried out on December 31, 2022. The evaluation has been conducted by an independent external valuator. The method of the evaluation of the fair value of the above investment properties is classified in the second level (note 8.1).

Rental Income for 2022 for the Group and the Company amount to €4.800,00 compared to €4.000,00 for the previous year.

## 7.4 Right of Use Assets/Leases

Right of use assets are analyzed in the followings :

**Group**

| | Land | Buildings | Machinery | Vehicles | Furniture & Fittings | Total |
|---|---|---|---|---|---|---|
| Purchase Cost 31.12.2021 | 0 | 0 | 0 | 1.209.440 | 0 | 1.209.440 |
| Accumulated Depreciation 31.12.2021 | 0 | 0 | 0 | (696.048) | 0 | (696.048) |
| **Net Book Value 31.12.2021** | **0** | **0** | **0** | **513.392** | **0** | **513.392** |
| Acquisitions | 0 | 0 | 0 | 595.028 | 0 | 595.028 |
| Disposals & Transfers – Purchase Cost | 0 | 0 | 0 | (424.096) | 0 | (424.096) |
| Disposals & Transfers – Accumulated Depreciation | 0 | 0 | 0 | 424.096 | 0 | 424.096 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 | (278.755) | 0 | (278.755) |
| **Net Book Value 31.12.2022** | **0** | **0** | **0** | **829.665** | **0** | **829.665** |

**Company**

| | Land | Buildings | Machinery | Vehicles | Furniture & Fittings | Total |
|---|---|---|---|---|---|---|
| Purchase Cost 31.12.2021 | 0 | 0 | 0 | 930.830 | 0 | 930.830 |
| Accumulated Depreciation 31.12.2021 | 0 | 0 | 0 | (582.629) | 0 | (582.629) |
| **Net Book Value 31.12.2021** | **0** | **0** | **0** | **348.201** | **0** | **348.201** |
| Acquisitions | 0 | 0 | 0 | 493.460 | 0 | 493.460 |
| Disposals & Transfers – Purchase Cost | 0 | 0 | 0 | (397.044) | 0 | (397.044) |
| Disposals & Transfers – Accumulated Depreciation | 0 | 0 | 0 | 397.044 | 0 | 397.044 |
| Revaluations | 0 | 0 | 0 | 0 | 0 | 0 |
| Depreciation | 0 | 0 | 0 | (200.934) | 0 | (200.934) |
| **Net Book Value 31.12.2022** | **0** | **0** | **0** | **640.727** | **0** | **640.727** |

The following amounts relating to lease liabilities are included in the "Statement Of Financial Position":

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Non-Current Lease Liabilities | 564.962 | 310.751 | 448.291 | 209.291 |
| Current Lease Liabilities | 281.183 | 217.095 | 204.898 | 149.682 |
| **Total:** | **846.145** | **527.846** | **653.189** | **358.973** |

The Lease Liabilities for the following years are presented in the table below :

| | Group | | | |
|---|---|---|---|---|
| | **up to 1 year** | **up to 2-5 years** | **> 5years** | **Total** |
| Lease Liabilities | 303.172 | 584.733 | 8.307 | **896.212** |
| Interest charges for the Period | (21.989) | (28.034) | (44) | **(50.067)** |
| **NPV of Liability** | **281.183** | **556.699** | **8.263** | **846.145** |

| | Company | | | |
|---|---|---|---|---|
| | **up to 1 year** | **up to 2-5 years** | **> 5years** | **Total** |
| Lease Liabilities | 222.304 | 464.363 | 8.307 | **694.974** |
| Interest charges for the Period | (17.406) | (24.335) | (44) | **(41.785)** |
| **NPV of Liability** | **204.898** | **440.028** | **8.263** | **653.189** |

The change of Lease liabilities follows :

| | **Group** | **Company** |
|---|---|---|
| **Opening Balance of Lease Liabilities 2021** | **673.551** | **524.530** |
| Acquisitions | 270.634 | 156.672 |
| Interest Charges | 24.040 | 17.830 |
| Leasing Payments | (408.752) | (312.063) |
| Modification in the Contract's Terms | (31.627) | (27.996) |
| **Closing Balance of Lease Liabilities 2021** | **527.846** | **358.973** |
| | | |
| **Opening Balance of Lease Liabilities 2022** | **527.846** | **358.973** |
| Acquisitions | 595.029 | 493.461 |
| Interest Charges | 23.164 | 17.900 |
| Leasing Payments | (299.894) | (217.145) |
| Modification in the Contract's Terms | 0 | 0 |
| **Closing Balance of Lease Liabilities 2022** | **846.145** | **653.189** |

## 7.5 Other Intangible Assets

The change in other intangible assets of the Group and the Company is presented to the table below :

**Group**

| | **Software** | **Trademarks** | **Other** | **Total** |
|---|---|---|---|---|
| Purchase cost 31.12.2021 | 2.340.295 | 717.206 | 0 | 3.057.501 |
| Accumulated Depreciation at 31.12.2021 | (1.069.993) | (15.002) | 0 | (1.084.995) |
| **Net Book Value 31.12.2021** | **1.270.302** | **702.204** | **0** | **1.972.506** |
| Acquisitions | 151.050 | 0 | 0 | 151.050 |
| Disposals & Transfers – Purchase Cost | 0 | 0 | 0 | 0 |
| Disposals & Transfers – Accumulated Depreciation | 0 | 0 | 0 | 0 |
| Impairment | 0 | 0 | 0 | 0 |
| Depreciation | (381.125) | (573) | 0 | (381.698) |
| **Net Book Value 31.12.2022** | **1.040.227** | **701.631** | **0** | **1.741.858** |

**Group**

| | | | | |
|---|---|---|---|---|
| Purchase cost 31.12.2021 | 2.198.611 | 17.206 | 0 | 2.215.817 |
| Accumulated Depreciation at 31.12.2021 | (984.336) | (15.002) | 0 | (999.338) |
| **Net Book Value 31.12.2021** | **1.214.275** | **2.204** | | **1.216.479** |

| | | | | |
|---|---|---|---|---|
| Acquisitions | 150.718 | 0 | 0 | 150.718 |
| Disposals & Transfers – Purchase Cost | 0 | 0 | 0 | 0 |
| Disposals & Transfers – Accumulated Depreciation | 0 | 0 | 0 | 0 |
| Impairment | 0 | 0 | 0 | 0 |
| Depreciation | (358.764) | (573) | 0 | (359.337) |
| **Net Book Value 31.12.2022** | **1.006.229** | **1.631** | | **1.007.860** |

## 7.6 Goodwill

Companies' goodwill of the Group is presented in the followings:

| | 31.12.2022 | 31.12.2021 |
|---|---|---|
| **Opening Balance** | 1.000.000 | 1.000.000 |
| Acquisitions / (Disposals) | 0 | 0 |
| Impairments | 0 | 0 |
| **Ending Balance** | **1.000.000** | **1.000.000** |

Goodwill refers to the subsidiary "KENFOOD SA" and annual impairment test is being conducted. The recoverable amount of the goodwill at 31.12.2022 amounts to € 1.000.000 and it has been determined according to the net discounted cash flow expected to arise from the operation of the company (value in use).

The main assumptions used to determine the goodwill at 31.12.2022 are as follows:

- **WACC/Weighted Average Cost Of Capital:** WACC used amounted to 10,31%.
- **EBITDA:** the budgetary amounts of EBITDA have been determined according to previous experience and comply with assumptions according to "value in use" approach. The main assumptions reflect previous experience of the Management and other available information from internal sources regarding the course of the industry.
- **Growth Rate:** the growth rate used for the impairment test is based on rational and valid assumptions, which reflect the best possible estimation of the Management. The growth rate beyond 5 years is 0,50% according to a conservative estimation for the course of the industry and the Greek economy.

## 7.7 Investments in Subsidiaries

The following table presents the Investments in Subsidiaries:

| | Country of Incorporation | Direct participation rate % of the parent | 31.12.2022 | Direct participation rate % of the parent | 31.12.2021 |
|---|---|---|---|---|---|
| Kenfood S.A | Greece | 99,99% | 6.322.733 | 99,99% | 6.322.733 |
| Greek Baking School S.A | Greece | 99,70% | 74.775 | 99,70% | 74.775 |
| Loulis Logistics Services S.A | Greece | 99,68% | 44.900 | 99,68% | 44.900 |
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY Ltd | Greece | 20,00% | 0 | - | 0 |
| Loulis International Foods Enterprises Bulgaria Ltd | Cyprus | 100,00% | 7.731.625 | 100,00% | 7.731.625 |
| **Total:** | | | **14.174.033** | | **14.174.033** |

The change in Investments in Subsidiaries is analyzed in note 5.2.

## 7.8 Other Non-Current Receivables

The analysis of other non-current receivables is as follows :

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Given Guarantees | 84.239 | 69.866 | 15.839 | 10.769 |
| Bond Loans | 0 | 0 | 0 | 0 |
| Advance Payments to Suppliers for Non-Current Assets | 1.017.820 | 1.670.088 | 290.612 | 325.503 |
| Other Non-Current Receivables | 5.737 | 5.737 | 0 | 0 |
| **Total:** | **1.107.796** | **1.745.691** | **306.451** | **336.272** |

## 7.9 Inventory

The table below presents the analysis of inventory :

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Merchandise | 534.866 | 416.580 | 430.189 | 350.736 |
| Finished & Semi-Finished Products | 7.763.215 | 6.570.278 | 6.775.447 | 5.838.131 |
| Raw and Packing Materials | 37.690.463 | 28.672.215 | 23.637.535 | 21.971.989 |
| Consumables and Other Stocks | 20.758 | 21.444 | 16.452 | 21.444 |
| Asset's spare parts | 26.216 | 281.696 | 26.216 | 220.695 |
| **Total:** | **46.035.518** | **35.962.213** | **30.885.839** | **28.402.995** |

## 7.10 Trade Receivables

The analysis of trade receivables is as follows :

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Trade Receivables/Other Trade Receivables | 38.468.258 | 31.629.391 | 34.976.732 | 28.393.695 |
| Notes Receivables | 3.779 | 7.338 | 0 | 1.550 |
| Notes Overdue | 436.278 | 436.278 | 434.478 | 434.478 |
| Cheques Receivable | 12.978.151 | 7.636.681 | 12.351.388 | 7.286.141 |
| Cheques Receivable Overdue | 4.157.884 | 4.133.327 | 3.564.180 | 3.539.623 |
| Receivables from Related Companies | 0 | 0 | 188.299 | 79.626 |
| *Minus:* Provisions | (7.521.491) | (7.474.147) | (6.708.716) | (6.685.158) |
| | **48.522.859** | **36.368.868** | **44.806.361** | **33.049.955** |

At 31.12.2022 and 2021, the ageing analysis of the current and overdue trade receivables is as follows :

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Trade Receivables not in arrears | 43.416.885 | 32.228.158 | 40.379.329 | 29.324.986 |
| Trade Receivables overdue 1-60 days | 3.135.483 | 2.532.044 | 2.695.196 | 2.349.406 |
| Trade Receivables overdue 61-180 days | 898.271 | 419.777 | 854.694 | 390.639 |

| | | | | |
|---|---|---|---|---|
| Trade Receivables overdue >181 days | 8.593.711 | 8.663.036 | 7.585.858 | 7.670.082 |
| **Total:** | **56.044.350** | **43.843.015** | **51.515.077** | **39.735.113** |

The Group and the Company apply the simplified approach of IFRS 9 and calculate the expected credit losses over the life of their receivables .

The following tables present the Group's and the Company's exposure to credit risk:

| | Group - 31.12.2022 | | | | |
|---|---|---|---|---|---|
| | **Not in arrears** | **Overdue 1-60 days** | **Overdue 61-180 days** | **Overdue > 181 days** | **Total** |
| Total of Trade Receivables | 43.416.885 | 3.135.483 | 898.271 | 8.593.711 | **56.044.350** |
| Expected credit Loss | 0 | (73.460) | (181.597) | (7.266.434) | **(7.521.491)** |
| Expected % of Credit Loss | 0,00% | -2,34% | -20,22% | -84,56% | **-13,42%** |

| | Company - 31.12.2022 | | | | |
|---|---|---|---|---|---|
| | **Not in arrears** | **Overdue 1-60 days** | **Overdue 61-180 days** | **Overdue > 181 days** | **Total** |
| Total of Trade Receivables | 40.379.329 | 2.695.196 | 854.694 | 7.585.858 | **51.515.077** |
| Expected credit Loss | 0 | (70.990) | (171.508) | (6.466.218) | **(6.708.716)** |
| Expected % of Credit Loss | 0,00% | -2,63% | -20,07% | -85,24% | **-13,02%** |

## 7.11 Derivative Financial Assets/Liabilities

The Derivative Financial Assets/Liabilities are presented in the following table :

| | Group/Company | |
|---|---|---|
| | **31.12.2022** | **31.12.2021** |
| Receivables from Financial Derivatives | 9.380 | 521.000 |
| **Total:** | **9.380** | **521.000** |

| | Group/Company | |
|---|---|---|
| | **Group/Company** | |
| | **31.12.2022** | **31.12.2021** |
| Liabilities from Financial Derivatives | 267.878 | 762.350 |
| **Total:** | **267.878** | **762.350** |

## 7.12 Cash and Cash Equivalents

The following table presents the cash and cash equivalent of the Group and the Company:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Cash in Hand | 38.539 | 63.073 | 24.294 | 47.628 |
| Cash at Bank | 10.975.388 | 9.590.285 | 8.953.269 | 8.295.453 |
| **Total:** | **11.013.927** | **9.653.358** | **8.977.563** | **8.343.081** |

## 7.13 Other Current Assets

The table below presents the analysis of other current assets:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Sundry Debtors | 3.535.816 | 2.782.535 | 3.376.217 | 2.648.390 |
| Receivables from the Greek State | 819.183 | 1.834.874 | 485.555 | 1.683.633 |
| Prepaid Expenses | 1.434.674 | 1.515.573 | 1.399.878 | 1.507.541 |
| Accrued Income Receivable | 0 | 0 | 0 | 0 |
| Short-term Receivables from Related Parties | 0 | 0 | 5.000.000 | 4.000.000 |
| *Minus: Provisions* | (844.481) | (844.805) | (843.849) | (843.464) |
| **Total:** | **4.945.192** | **5.288.177** | **9.417.801** | **8.996.100** |

## 7.14 Other Reserves

The analysis of other reserves is as follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Asset Revaluation Reserves | 2.146.924 | 2.076.406 | 2.044.181 | 1.973.663 |
| Extraordinary Reserves | 103.990 | 103.990 | 103.990 | 103.990 |
| Non Taxable Reserves | 3.420.457 | 3.420.457 | 3.208.286 | 3.208.286 |
| Asset Revaluation Reserve | 9.804.935 | 6.002.145 | 8.742.728 | 4.939.938 |
| Reserve from Foreign Exchange Differences | 1.061.889 | 1.061.889 | 0 | 0 |
| Other Reserves | 7.651.779 | 7.651.779 | 6.592.716 | 6.592.716 |
| Profit/(Loss) after Tax | 25.661.238 | 25.168.664 | 28.932.757 | 29.725.273 |
| **Total:** | **49.851.212** | **45.485.330** | **49.624.658** | **46.543.866** |

## 7.15 Long-Term and Short-Term Borrowings

The analysis of the long-term and short-term borrowings for the Group and the Company is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| **Short-Term Borrowings** | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Borrowings | 4.831.413 | 5.505.441 | 1.710 | 4.758.732 |
| Bond Loans | 13.695.809 | 8.845.809 | 12.750.000 | 7.450.000 |
| **Total:** | **18.527.222** | **14.351.250** | **12.751.710** | **12.208.732** |

| | Group | | Company | |
|---|---|---|---|---|
| **Long-Term Borrowings** | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Bond Loans | 60.077.548 | 47.473.357 | 53.675.000 | 42.125.000 |
| **Total:** | **60.077.548** | **47.473.357** | **53.675.000** | **42.125.000** |

| | | | | |
|---|---|---|---|---|
| **Total Borrowing:** | **78.604.770** | **61.824.607** | **66.426.710** | **54.333.732** |

The change in the total borrowing for the Group and the Company is presented in the table below :

| | Group | | |
|---|---|---|---|
| | **Short-Term Borrowings** | **Long-Term Borrowings** | **Total** |
| **Balance at 01.01.2021** | **5.957.363** | **54.319.165** | **60.276.528** |
| Cash Flow: | | | |
| - Proceeds from Bank Borrowings | 7.473.765 | 2.000.000 | 9.473.765 |
| - Repayment of Bank Borrowings | (7.425.687) | (500.000) | (7.925.687) |
| Non-Cash Flow: | | | |
| - Reclassification from Long-Term to Short-Term Borrowing | 8.345.809 | (8.345.808) | 1 |
| **Balance at 31.12.2021** | **14.351.250** | **47.473.357** | **61.824.607** |
| | | | |
| **Balance at 01.01.2022** | **14.351.250** | **47.473.357** | **61.824.607** |
| Cash Flow: | | | |
| - Proceeds from Bank Borrowings | (674.027) | 31.000.000 | 30.325.973 |
| - Repayment of Bank Borrowings | (8.845.809) | (4.700.000) | (13.545.809) |
| Non-Cash Flow: | | | |
| - Reclassification from Long-Term to Short-Term Borrowing | 13.695.808 | (13.695.809) | (1) |
| **Balance at 31.12.2022** | **18.527.222** | **60.077.548** | **78.604.770** |

| | Company | | |
|---|---|---|---|
| | **Short-Term Borrowings** | **Long-Term Borrowings** | **Total** |
| **Balance at 01.01.2021** | **5.442.134** | **45.575.000** | **51.017.134** |
| Cash Flow: | | | |
| - Proceeds from Bank Borrowings | 4.741.598 | 4.000.000 | 8.741.598 |
| - Repayment of Bank Borrowings | (5.425.000) | 0 | (5.425.000) |
| Non-Cash Flow: | | | |
| - Reclassification from Long-Term to Short-Term Borrowing | 7.450.000 | (7.450.000) | 0 |
| **Balance at 31.12.2021** | **12.208.732** | **42.125.000** | **54.333.732** |
| | | | |
| Cash Flow: | **12.208.732** | **42.125.000** | **54.333.732** |
| - Proceeds from Bank Borrowings | | | |
| - Repayment of Bank Borrowings | (4.757.022) | 29.000.000 | 24.242.978 |
| Non-Cash Flow: | (7.450.000) | (4.700.000) | (12.150.000) |
| - Reclassification from Long-Term to Short-Term Borrowing | | | |
| Cash Flow: | 12.750.000 | (12.750.000) | 0 |
| **Balance at 31.12.2022** | **12.751.710** | **53.675.000** | **66.426.710** |

The maturity periods of the long-term borrowing for the Group and the Company is presented in the table below:

| **Group** | **Company** |
|---|---|

| | Repayment of Bond Loans | Repayment of Bond Loans |
|---|---|---|
| Within 2023 | 13.695.809 | 12.750.000 |
| Within 2024 | 16.125.809 | 13.150.000 |
| Within 2025 | 40.790.809 | 38.425.000 |
| Within 2026 | 2.115.809 | 1.400.000 |
| Within 2027 | 1.045.121 | 700.000 |
| **Total:** | **73.773.357** | **66.425.000** |

## 7.16 Deferred Tax Liabilities

The following table presents the deferred tax analysis in accordance with the International Accounting Standards:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Deferred Tax Asset | 1.032.027 | 977.241 | 913.736 | 1.011.280 |
| Deferred Tax Liability | (12.609.459) | (11.789.440) | (12.337.592) | (11.543.446) |
| **Total:** | **(11.577.432)** | **(10.812.199)** | **(11.423.856)** | **(10.532.166)** |

| | Group | Company |
|---|---|---|
| **Opening Balance of Deferred Tax Income 2021** | **(11.394.244)** | **(11.250.394)** |
| Deferred Tax Asset due to Provision for Inventory Obsolescence | (18.339) | (17.000) |
| Deferred Tax Asset due to Provision for Receivables | (79.183) | (73.352) |
| Deferred Tax Asset due to Provision for Employee Compensation | (2.468) | (2.655) |
| Deferred Tax Asset due to Tax Loss Carry-Forwards | 39.175 | 0 |
| Deferred Tax Asset due to Other Liabilities | (52.791) | (49.273) |
| Deferred Tax Liability due to Fixed Assets | 575.964 | 737.062 |
| Deferred Tax Liability due to Other Intangible Assets | (6.617) | 646 |
| Deferred Tax Liability due to Right of use Assets | 128.375 | 124.871 |
| Deferred Tax Liability due to Participation in Associates | (2.071) | (2.071) |
| Deferred Tax Liability due to Other Receivables | 0 | 0 |
| **Closing Balance of Deferred Tax Income 2021** | **(10.812.199)** | **(10.532.166)** |
| | | |
| **Other Balance of Deffered Tax Income 2022** | **(10.812.199)** | **(10.532.166)** |
| Deferred Tax Asset due to Provision for Inventory Obsolescence | (165.000) | (165.000) |
| Deferred Tax Asset due to Provision for Receivables | (20.442) | (23.087) |
| Deferred Tax Asset due to Provision for Employee Compensation | (6.671) | (7.158) |
| Deferred Tax Asset due to Tax Loss Carry-Forwards | 141.833 | 0 |
| Deferred Tax Asset due to Other Liabilities | 105.066 | 97.701 |
| Deferred Tax Liability due to Fixed Assets | (731.762) | (728.643) |
| Deferred Tax Liability due to Other Intangible Assets | (14.515) | 916 |
| Deferred Tax Liability due to Right of use Assets | (71.679) | (64.356) |
| Deferred Tax Liability due to Participation in Associates | 0 | 0 |
| Deferred Tax Liability due to Other Receivables | (2.063) | (2.063) |
| **Closing Balance of Deferred Tax Income 2022** | **(11.577.432)** | **(11.423.856)** |

The change in Deferred Tax Asset / (Liability) for the Group and the Company, is analyzed as follows :

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| **Deferred Tax Asset/(Liability) – Opening Balance** | **(10.812.199)** | **(11.394.244)** | **(10.532.166)** | **(11.250.394)** |
| Deferred Income Tax recognized in the Income Statement | 317.467 | 944.273 | 190.147 | 937.243 |
| Deferred Income Tax recognized through Other Total Income | (1.082.700) | (362.228) | (1.081.837) | (219.015) |
| **Deferred Tax Asset / (Liability) – Ending Balance** | **(11.577.432)** | **(10.812.199)** | **(11.423.856)** | **(10.532.166)** |

Deferred tax assets and deferred tax liabilities are included offset in the item "Deferred Tax Liabilities" of the Statement Of Financial Position.

## 7.17 Liabilities for Retirement Benefits

The liability for retirement benefits is included in the Financial Statements according to IFRS 19 and it is based on an actuarial study with date December 31, 2022.

or the calculations of the study the following actuarial assumptions have been used:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Discount Rate | 3,57% | 0,60% | 3,57% | 0,60% |
| Expected Salary Increase | 2,20% - 2,40% | 2,00% | 2,40% | 2,00% |
| Inflation | 2,20% | 1,80% | 2,20% | 1,80% |

The change in the present value of the defined benefit obligations at retirement, recognized in the Statement of Financial Position is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Current Cost Service | 56.779 | 46.600 | 48.651 | 38.336 |
| Interest Cost | 2.418 | 2.275 | 2.272 | 2.148 |
| Settlement/Curtailment Impact | 159.475 | 126.741 | 155.070 | 123.112 |
| Past Service Cost | 0 | 2.694 | 0 | 3.652 |
| **Amounts charged in Profit & Loss Statement** | **218.672** | **178.310** | **205.993** | **167.248** |
| Actuarial (Profit)/Loss for the period | (47.067) | (7.329) | (42.067) | (3.635) |
| **Amounts charged in Comprehensive Income** | **171.605** | **170.981** | **163.926** | **163.613** |

The change in the present value of the defined benefit obligations at retirement, recognized in the Statement of Financial Position is presented in the table below :

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |

| | | | | |
|---|---|---|---|---|
| **Present Value of the Liability – Opening Balance:** | **402.879** | **379.292** | **378.590** | **358.102** |
| Total Expense | 218.672 | 178.310 | 205.993 | 167.248 |
| Actuarial (Profit)/Loss for the Period | (47.067) | (7.329) | (42.067) | (3.635) |
| Benefits paid | (200.866) | (147.394) | (196.461) | (143.125) |
| **Present Value of the Liability – End of the year:** | **373.618** | **402.879** | **346.055** | **378.590** |

The sensitivity of the Provision for Employee Compensation to a negative or positive change of any key financial assumption as at December 31, 2022, is as follows:

| | Group | Company |
|---|---|---|
| Discount rate increase by 0,5% | -2,5% | -2,5% |
| Reduction rate discount by 0,5% | 2,7% | 2,6% |
| Expected wage increase by 0,5% | 2,7% | 2,6% |
| Reduction of expected salary by 0,5% | -2,6% | -2,5% |

## 7.18 Other Non-Current Liabilities

The analysis of Other Non-Current Liabilities for the Group and the Company is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Other Provisions | 0 | 0 | 0 | 0 |
| Long-Term Tax Liabilities | 0 | 0 | 0 | 0 |
| Subsidies for Fixed Assets | 3.221.661 | 2.861.214 | 3.221.661 | 2.861.214 |
| Long-Term Liabilities to Associated Companies | 0 | 0 | 0 | 0 |
| **Total:** | **3.221.661** | **2.861.214** | **3.221.661** | **2.861.214** |

## 7.19 Trade Payables

The analysis of Trade Payables for the Group and the Company is presented in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Suppliers (Third Parties) | 13.438.475 | 16.571.081 | 10.005.502 | 14.632.213 |
| Intra-Group Suppliers | 0 | 0 | 504.502 | 310.797 |
| Cheques Payable (Post-Dated) | 3.478.343 | 2.242.287 | 0 | 0 |
| Advances from Customers | 1.025.957 | 1.016.312 | 895.419 | 971.393 |
| Suppliers (Third Parties) | 0 | 0 | 0 | 0 |
| **Total:** | **17.942.775** | **19.829.680** | **11.405.423** | **15.914.403** |

## 7.20 Tax Liabilities

The analysis of the Tax Liabilities for the Group and Company is presented in the following table:

| | Group | Company |
|---|---|---|

| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
|---|---|---|---|---|
| Tax & Duties Payable (Not Including Income Tax) | 487.711 | 223.929 | 455.058 | 191.997 |
| Income Tax on Profits | 869.322 | 498.201 | 863.504 | 492.383 |
| **Total:** | **1.357.033** | **722.130** | **1.318.562** | **684.380** |

## 7.21 Accrued & Other Current Liabilities

The analysis of Accrued & Other Current Liabilities for the Group and the Company is presented in the following table :

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Insurance and Pension Fund Dues | 413.692 | 399.907 | 366.939 | 344.592 |
| Dividends Payables | 0 | 0 | 0 | 0 |
| Sundry Creditors | 8.481.621 | 4.352.854 | 8.431.756 | 4.328.430 |
| Unearned and Deferred Income | 1.728 | 2.633 | 1.728 | 2.633 |
| Accrued Expenses | 2.233.085 | 920.774 | 2.142.158 | 890.445 |
| **Total:** | **11.130.126** | **5.676.168** | **10.942.581** | **5.566.100** |

## 7.22 Revenue

Revenue analysis of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Professional Products | 135.032.283 | 90.846.471 | 121.740.552 | 83.347.366 |
| Consumer Products | 16.789.909 | 14.004.036 | 16.814.701 | 14.032.689 |
| Mixtures & Raw Material for Bakery & Pastry | 11.304.151 | 7.979.289 | 0 | 0 |
| Cereal | 34.559.545 | 21.845.816 | 34.372.387 | 21.763.320 |
| Other Products and Services | 222.312 | 232.858 | 375.410 | 571.667 |
| **Total:** | **197.908.200** | **134.908.470** | **173.303.050** | **119.715.042** |

Revenue analysis of the Group and the Company, depending on the country where the customers are located, Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Revenue within Greece | 140.830.879 | 100.298.013 | 133.623.761 | 94.772.760 |
| Revenue outside Greece | 57.077.321 | 34.610.457 | 39.679.289 | 24.942.282 |
| | **197.908.200** | **134.908.470** | **173.303.050** | **119.715.042** |

## 7.23 Other Income

Other Income of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Other Operating Income | 4.154.934 | 3.160.169 | 3.271.102 | 2.644.068 |
| Extraordinary and Non-Operating Income | 36.236 | 100.919 | 33.748 | 96.432 |
| Extraordinary Profit | 17.135 | 10.351 | 17.135 | 10.351 |
| Income from Prior Period Provisions | 750.943 | 32.895 | 750.000 | 13.771 |
| Income arising from exchange differences | 11.557 | 31 | 11.556 | 0 |
| **Total:** | **4.970.805** | **3.304.365** | **4.083.541** | **2.764.622** |

## 7.24 Distribution Expenses

Distribution expenses of the Group and the Company is presented in the following table :

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Materials | (51.415) | (50.870) | (33.394) | (35.942) |
| Salaries and Staff Cost | (4.854.807) | (4.368.333) | (4.027.215) | (3.698.379) |
| Third Party Fees | (963.449) | (831.394) | (728.797) | (606.412) |
| Changes for Outside Services | (950.781) | (515.978) | (716.242) | (442.278) |
| Other Expenses | (9.304.419) | (7.601.248) | (7.705.942) | (6.654.171) |
| Taxes-Fees | (103.111) | (90.311) | (99.631) | (86.107) |
| Depreciation | (485.132) | (563.847) | (335.891) | (418.565) |
| **Total:** | **(16.713.114)** | **(14.021.981)** | **(13.647.112)** | **(11.941.854)** |

## 7.25 Administration Expenses

Administration Expenses of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Materials | (9.101) | 0 | (9.101) | 0 |
| Salaries and Staff Cost | (2.642.533) | (2.292.969) | (2.358.692) | (2.071.014) |
| Third Party Fees | (1.875.975) | (1.548.589) | (1.072.474) | (1.139.926) |
| Changes for Outside Services | (1.327.073) | (857.002) | (1.243.338) | (785.584) |
| Other Expenses | (1.890.729) | (640.687) | (1.939.036) | (699.947) |
| Taxes - Fees | (57.994) | (50.607) | (36.223) | (44.001) |
| Depreciation | (664.480) | (617.097) | (631.848) | (581.825) |
| **Total:** | **(8.467.885)** | **(6.006.951)** | **(7.290.712)** | **(5.322.297)** |

## 7.26 Other Expenses

Other Expenses for the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 |
| Extraordinary and non-operating expenses | (1.619.536) | (151.042) | (1.612.351) | (129.243) |

| | | | | |
|---|---|---|---|---|
| Extraordinary losses | (290.700) | (12.231) | (290.650) | (3.286) |
| Provisions for extraordinary contingencies | (47.960) | (31.098) | (23.942) | (17.880) |
| Loss arising from exchange differences | (12.077) | (5.423) | (121) | (101) |
| **Total:** | **(1.970.273)** | **(199.794)** | **(1.927.064)** | **(150.510)** |

The item "Extraordinary and non-operating expenses" of the Group and the Company, for the current year, includes provision of an amount of € 1,05 million in exchange for rent for the years 1998 until 2022, for the exclusive use of foreshore and port infrastructures in front of the Company's facilities at the spot Aghios Ioannis of Amaliapolis, Municipality of Almyros, Regional Unit of Magnesia and Sporades, as defined by the decision of the General Directorate of Public Property of the Ministry of Finance with date April 11, 2023.

The item "Extraordinary and non-operating expenses" of the Group and the Company, for the current year, includes Loss of an amount of € 0,182 million, as the difference between purchase price and fair value of a Company's Investment Asset at Tyrnavos of Thessaly, which has been acquired on March 30, 2022 and has been evaluated by a certified evaluator on June 30, 2022.

The item "Extraordinary losses" of the Group and the Company, for the current year, includes loss of an amount of € 0,275 million resulted from the disposal of a Company's Investment Asset at Tyrnavos of Thessaly on November 16, 2022.

## 7.27 Financial Expenses/Income

Financial Expenses/Income of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Interest Changes and Relevant Expenses | (2.393.288) | (1.563.071) | (2.168.007) | (1.339.458) |
| Other Financial Expenses | (64.070) | (87.280) | (43.288) | (73.615) |
| Interest Income and Relevant Income | 5.028 | 3.650 | 133.116 | 29.050 |
| **Total:** | **(2.452.330)** | **(1.646.701)** | **(2.078.179)** | **(1.384.023)** |

## 7.28 Tax Expenses

Tax Expense of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Current Income tax | (863.504) | (509.833) | (863.504) | (492.383) |
| Property Tax | (48.818) | (48.296) | (46.717) | (46.195) |
| Deferred Tax Income | 317.467 | 944.273 | 190.147 | 937.243 |
| Income Tax of Previous Years | 1.395 | 0 | 1.395 | 0 |
| Tax Audit Differences | 0 | 0 | 0 | 0 |
| **Total:** | **(593.460)** | **386.144** | **(718.679)** | **398.665** |

The reconciliation between the Income Tax Rate which corresponds to profit before tax, based on the applicable Income Tax Rate in Greece (2022: 22,0%, 2021: 22,0%), and the tax which finally has been charged on the results of the period follows:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| **Profit/(Loss) Before Taxes** | **2.987.263** | **807.448** | **1.831.626** | **902.268** |
| *Plus/(Minus) adjustments for* | | | | |
| Temporary Differences between IFRS-GR GAAP | 530.045 | 793.994 | 580.207 | 905.885 |
| Non Deductible Business Expenses | 1.936.544 | 725.065 | 1.525.077 | 632.297 |
| Special Expenses with Increased Deduction | (12.375) | (202.345) | (11.894) | (202.345) |
| Transfer of Loss for Compensation in future year | 248.302 | 528.340 | 0 | 0 |
| Tax Loss-offset of Previous Years | (1.764.763) | (274.798) | 0 | 0 |
| **Tax Profit/(Loss)** | **3.925.016** | **2.377.704** | **3.925.016** | **2.238.105** |
| Current Income Tax Rate | 22,0% | 22,0% | 22,0% | 22,0% |
| Corresponding Income Tax of the year | (863.504) | (523.095) | (863.504) | (492.383) |
| Impact of different Income Tax Rates of other countries | 0 | 13.262 | 0 | 0 |
| Property Tax | (48.818) | (48.296) | (46.717) | (46.195) |
| Deferred Tax Income recognized on Results | 317.467 | 944.273 | 190.147 | 937.243 |
| Income Tax of previous years | 1.395 | 0 | 1.395 | 0 |
| Other | 0 | 0 | 0 | 0 |
| **Total:** | **(593.460)** | **386.144** | **(718.679)** | **398.665** |

The tax rate of Legal Entities in Greece according Law 4799/2021 has been set at 22%.

The tax rate of Legal Entities in Bulgaria has been set at 10% and in Cyprus has been set at 12,5%.

## 7.29 Profit/(Loss) from Revaluation of Assets

Profit/(Loss) from Revaluation of Asset of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | **2022** | **2021** | **2022** | **2021** |
| Asset Revaluation Profit/(Loss) | 4.875.372 | 2.086.473 | 4.875.372 | 1.436.996 |
| Respective Income Tax On Other Comprehensive Income | (1.072.582) | (459.024) | (1.072.582) | (316.139) |
| Income Tax Adjustment relating to Other Comprehensive Income from Change of Tax Rate | 0 | 97.925 | 0 | 97.925 |
| **Total:** | **3.802.790** | **1.725.374** | **3.802.790** | **1.218.782** |

## 7.30 Earnings per Share (Basic & Diluted)

Earnings per share of the Group and the Company is presented in the following table:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| Net Profit/(Loss) attributable to the owners of the parent | 1.842.358 | 1.193.607 | 561.405 | 1.300.933 |
| Weighted average of shares outstanding (after the deduction of the weighted average of own shares) | 17.120.280 | 17.120.280 | 17.120.280 | 17.120.280 |
| **Basic Profit/(Loss) per Share** | **0,1076** | **0,0697** | **0,0328** | **0,0760** |

# 8. Financial Risk Management-Objectives & Perspectives

## 8.1 Financial Instruments

The Company's Financial Instruments consist of Receivables from Customers and Short-term Liabilities with annual maturity and therefore their book value can be considered as reasonable. Regarding the Long-Term Loans, the Company's weighted average cost of capital is very close to the borrowing rate and thus the book value of the item is very close to the fair value. Financial Receivables and Liabilities are warrants against future execution of contracts of French common wheat traded on the NYSE Liffe Paris market. These Financial Instruments are used to hedge the fair value of its inventories. The fair value of the rest Financial Assets and Liabilities is close to their book value.

Regarding the receivables, the Company does not have significant credit risk concentration. A Credit Control system is in place to manage this risk more efficiently and to assess and classify customers according to the level of risk and, where appropriate provisions have been made for impaired receivables. The maximum exposure to credit risk on the Balance Sheet date is the fair value of each class of financial instrument, as shown in the table below:

| | Group | | Company | |
|---|---|---|---|---|
| | **31.12.2022** | **31.12.2021** | **31.12.2022** | **31.12.2021** |
| **Non-Current Assets** | | | | |
| Other Long-Term Receivables | 1.107.796 | 1.745.691 | 306.451 | 336.272 |
| **Total** | **1.107.796** | **1.745.691** | **306.451** | **336.272** |
| **Current Assets** | | | | |
| Trade Receivables | 48.522.859 | 36.368.868 | 44.806.361 | 33.049.955 |
| Cash and Cash Equivalents | 11.013.927 | 9.653.358 | 8.977.563 | 8.343.081 |
| Financial Receivables | 9.380 | 521.000 | 9.380 | 521.000 |
| Other Current Assets | 4.945.192 | 5.288.177 | 9.417.801 | 8.996.100 |
| **Total** | **64.491.358** | **51.831.403** | **63.211.105** | **50.910.136** |
| **Long-Term Liabilities** | | | | |
| Long-Term Borrowings | 60.077.548 | 47.473.357 | 53.675.000 | 42.125.000 |
| Long-Term Lease Liabilities | 564.962 | 310.751 | 448.291 | 209.291 |
| **Total** | **60.642.510** | **47.784.108** | **54.123.291** | **42.334.291** |
| **Short-Term Liabilities** | | | | |
| Trade Liabilities | 17.942.775 | 19.829.680 | 11.405.423 | 15.914.403 |
| Short-Term Borrowings | 18.527.222 | 14.351.250 | 12.751.710 | 12.208.732 |
| Short-Term Lease Liabilities | 281.183 | 217.095 | 204.898 | 149.682 |
| Financial Liabilities | 267.878 | 762.350 | 267.878 | 762.350 |
| Other Liabilities | 12.487.159 | 6.398.298 | 12.261.143 | 6.250.480 |
| **Total** | **49.506.217** | **41.558.673** | **36.891.052** | **35.285.647** |

### Fair Value Hierarchy

The Group and the Company use the following allocation to determine and disclose the fair value of receivables and liabilities per valuation method:

**Level 1:** based on the negotiable (unadjusted) prices in active markets for similar assets or liabilities.

**Level 2:** based on the valuation methods, in which all data with a significant effect on fair value are either directly or indirectly observable and includes valuation methods with negotiable prices in less active markets for similar or less similar assets or liabilities.

**Level 3:** based on valuation methods using data that have a significant effect on fair value and are not based on apparent market data.

The table below shows the allocation of the fair value of the assets and liabilities of the Group and the Company.

| | Group | | Company | | |
|---|---|---|---|---|---|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 | Fair Value Hierarchy |
| Land | 17.041.624 | 15.544.624 | 15.710.000 | 14.213.000 | Level 2 |
| Buildings | 58.069.814 | 53.699.731 | 49.864.028 | 48.583.000 | Level 2 |
| Investment Property | 515.986 | 519.992 | 495.994 | 500.000 | Level 2 |
| Financial Receivables | 829.665 | 513.392 | 640.727 | 348.201 | Level 2 |

During the year there were no transfers between the allocation levels.

The following methods and assumptions were used to estimate fair values:

The fair value of the Level 2 Land, Buildings and Investment Properties is valued for the Group and the Company by independent external expert using a combination of a) Comparative Method, b) Residual Approach and c) Depreciated Replacement Cost.

The Group and the Company use various methods and assumptions based on market conditions prevailing at each reporting date.

## 8.2 Financial Risk Factors

The Company is exposed to financial risks such as exchange risk, interest rates risk, credit risk and liquidity risk arising from its activities and operation. The Company's policy aims to minimize the impact of those risks when they may arise.

The Company uses financial instruments such as long-term and short-term loans, foreign currency transactions, trade receivables accounts, accounts payable, liabilities arising from financial leasing agreements, dividends payable, bank deposits and investments in securities.
Risk management is performed by the Financial Department whereas the BoD of the Company is fully responsible for setting the strategy, performing the overall planning and determining the risk management policies.

*a) Credit Risk*

The Group does not have a significant concentration of credit risk in any of its contracting parties, mainly due to the large number of customers and the great dispersion of the Group's customer base.

The Management of the Group has adopted and applies credit control procedures to minimize its doubtful receivables through the evaluation of the credit ability of its customers and the effective management of the receivables before they become overdue. For the monitoring of credit risk, customers are classified according to their credit profile, the maturity of their receivables and the historical background of their collection.

Additionally, the Group's companies have an insurance contract that covers most of their claims. This contract cannot be sold or transferred. Customers considered to be unreliable are reevaluated at every reporting date and when a likelihood of non-recovery of these receivables occurs, a provision for doubtful debts is formed.

*b) Liquidity Risk*

The Group keeps its liquidity risk at low levels through the availability of adequate cash or/and approved bank credit limits ensuring the fulfillment of the Group's short-term financial liabilities. The Group's liquidity ratio (current assets to current liabilities) amounted 2,23 at December 31, 2022 towards 2,11 at December 31, 2021. For the monitoring and management of liquidity risk the Group forms cash flow projections on a regular basis.

*c) Interest Rate Risk*

The Group's exposure to the risk of changes in the interest rates relates to its short-term and long-term loans. The Group manages Interest Rate Risk through keeping the total of its loans at variable interest rates. Since the Company's loans are linked with the Euribor index, the maintenance of the latter at low levels has a direct positive impact on the financial cost of the Group.

The table below presents the sensitivity of the Earnings Before Tax of the Group and the Company if the interest rates change by a percentage point :

**Sensitivity Analysis on Interest Rate Changes**

| | Interest Rate Volatility | Impact on Company's EBT | Impact on Group's EBT |
|---|---|---|---|
| **01.01.2022 31.12.2022** | 1,00% | -664.267 | -786.048 |
| | -1,00% | 664.267 | 786.048 |
| **01.01.2021 31.12.2021** | 1,00% | -543.337 | -618.246 |
| | -1,00% | 543.337 | 618.246 |

*d) Exchange Rate Risk*

The Group operates in Southeast Europe and as a result any change in the operating currencies of those countries towards other currencies exposes the Group to risk of exchange rate. The main currencies involved in the Group's transactions are Euro and Bulgarian Lev.
The Group's Management continuously monitors the foreign exchange risks that may arise and assesses the need for action, yet at the moment there is no such risk since the exchange rate between the two currencies is stable from 1 January 1999 (BGN 1.95583 = EUR 1).

*e) Inventory Loss*

The Group's Management takes all the necessary measures (insurance, safekeeping) to minimize the risk and the potential damage due to loss of inventory because of natural disasters, theft, etc. At the same time, due to the high circulation speed of the inventory and their long duration (expiration date), the risk of their obsolescence is limited.

*f) Risk of Price Increase of Raw Materials*

The Group is exposed to risk derived from the variation in prices of the used raw materials for its products. The fluctuation in prices of the raw materials during the recent years as well as the general economic crisis lead us to the conclusion that this fluctuation will continue to exist. Therefore, exposure to that risk is considered high and for that reason the Group's Management takes all the necessary measures in order, firstly, to eliminate the Group's exposure to that risk through achieving specific agreements with its suppliers and using derivative financial instruments and secondly, to quickly adjust its pricing and commercial policy

*g) Other Operating Risks*

The Management of the Company has adopted a reliable internal control system for the detection of dysfunctions and exceptions within its business activities. In this context, operational, strategic, regulatory, financial, legal/regulatory risks as well as information systems risks are evaluated and monitored. The Group is exposed to operational risks and the management deals with them either with internal safeguards or by transferring the risk to third parties (e.g. insurance companies). The Group's property and other risk insurance coverage is adequate.

# 9. Other Information

## 9.1 LOULIS FOOD INGREDIENTS S.A. Shares

The Company's shares are common and listed on the Athens Stock Exchange's market bearing the symbol LOULI.

The Company's share capital at 31.12.2022 amounts to € 16.093.063, divided into 17.120.280 nominal shares of an amount of € 0,94 per share.

## 9.2 Main Exchange Rates for Balance Sheet and P&L

**Balance Sheet**

| | 31.12.2022 | 31.12.2021 | Change % |
|---|---|---|---|
| EUR:BGN | 1,95583 | 1,95583 | 0,00% |

**P&L**

| | Average 01.01.2022-31.12.2022 | Average 01.01.2021-31.12.2021 | Change % |
|---|---|---|---|
| EUR:BGN | 1,95583 | 1,95583 | 0,00% |

## 9.3 Comparative Information

If necessary, the comparative amounts have been adjusted to comply with the current period's presentation. Differences in totals are due to rounding .

## 9.4 Existing Encubrances

On the fixed assets of the parent Company, mortgages and footnotes have been subscribed for a total amount of, € 40,8 million at 31.12.2022 to secure bond loans of amount € of 26,0 million.

## 9.5 Litigation and Arbitration Cases

No litigation and arbitration cases of management bodies exist that may have significant impact on the Company's financial position. Pending litigation cases exist, the final outcome of which will not affect significantly the Company's financial position.

## 9.6 Number of Employed Personnel

Number of staff employed at the end of current year 31.12.2022: Group 365, Company 264, compared with 348 for the Group and 258 for the Company in the previous year.

## 9.7 Transactions with Related Parties

The cumulative sales and purchases from the beginning of the year and the balances of the Company's receivables and payables at the closing of the current year arising from transactions with related parties within the meaning of IAS. 24 are as follows:

**Significant Transactions with Related Parties**

**Group**

| | 01.01.2022 - 31.12.2022 | | 01.01.2021 - 31.12.2021 | |
|---|---|---|---|---|
| | Sales of Goods and Services | Purchases of Goods and Services | Sales of Goods and Services | Purchases of Goods and Services |
| Associates | 1.158 | 0 | 0 | 0 |
| Executives and Members of the Management | 0 | 0 | 0 | 0 |
| **Total:** | **1.158** | **0** | **0** | **0** |

| | 31.12.2022 | | 31.12.2021 | |
|---|---|---|---|---|
| | Receivables | Liabilities | Receivables | Liabilities |
| Associates | 0 | 0 | 0 | 0 |
| Executives and Members of the Management | 455.773 | 849 | 266.826 | 813 |
| **Total:** | **455.773** | **849** | **266.826** | **813** |

**Company**

| | 01.01.2022 - 31.12.2022 | | 01.01.2021 - 31.12.2021 | |
|---|---|---|---|---|
| | Sales of Goods and Services | Purchases of Goods and Services | Sales of Goods and Services | Purchases of Goods and Services |
| Kenfood SA | 646.698 | 1.887.981 | 844.105 | 1.348.163 |
| Greek Baking School S.A | 8.400 | 20.000 | 8.400 | 37.000 |
| Loulis Logistics Services S.A | 480 | 0 | 480 | 0 |
| Loulis International Foods Enterprises Bulgaria Ltd | 0 | 0 | 0 | 0 |
| Loulis Mel-Bulgaria EAD | 283.395 | 6.535.022 | 64.090 | 1.283.983 |
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY Ltd | 0 | 0 | 0 | 0 |
| Associates | 1.158 | 0 | 0 | 0 |
| Executives and Members of the Management | 0 | 0 | 0 | 0 |
| **Total:** | **940.131** | **8.443.003** | **917.075** | **2.669.146** |

| | 31.12.2022 | | 31.12.2021 | |
|---|---|---|---|---|
| | Receivables | Liabilities | Receivables | Liabilities |
| Kenfood SA | 68.724 | 138.836 | 58.811 | 72.418 |
| Greek Baking School S.A | 0 | 0 | 0 | 0 |
| Loulis Logistics Services S.A | 0 | 0 | 0 | 0 |
| Loulis International Foods Enterprises Bulgaria Ltd | 0 | 0 | 0 | 0 |
| Loulis Mel-Bulgaria EAD | 5.119.575 | 365.666 | 4.020.815 | 238.379 |
| LEP ENERGY COMMUNITY COOPERATIVE SOCIETY Ltd | 0 | 0 | 0 | 0 |
| Associates | 0 | 0 | 0 | 0 |
| Executives and Members of the Management | 366 | 849 | 0 | 554 |
| **Total:** | **5.188.665** | **505.351** | **4.079.626** | **311.351** |

**Fees of Executives and Members of the Management**

| | Group | | Company | |
|---|---|---|---|---|
| | 31.12.2022 | 31.12.2021 | 31.12.2022 | 31.12.2021 |
| Salaries and Other Fees | 1.619.480 | 1.285.278 | 908.930 | 743.155 |
| **Total:** | **1.619.480** | **1.285.278** | **908.930** | **743.155** |

## 9.8 Own Shares

The Company, on the date of completion of the financial statements, did not hold any own shares.

## 9.9 Capital Expenditures

Investments in fixed assets for 2022 amount to € 4.913 thousand for the Group and € 3.254 thousand for the Company.

## 9.10 Contingent Liabilities/Receivables

The Group's contingent liabilities/receivables relate to the Banks, other guarantees and other issues arising from the Group's usual operations and they are not expected to have significant additional burden to the Group. In addition, the Company has provided guarantees for the loans of its subsidiaries.

On May 11, 2017 the Group's subsidiary "LOULIS MEL-BULGARIA EAD" came to an agreement with the company "National Company Industrial Zones", which is under the supervision of the Ministry of Finance of Bulgaria for the design, development and management of free industrial areas of the country in order to acquire a plot of land in the industrial zone of Bozhurishte in Sofia, Bulgaria in order to make a similar investment until November 9, 2021. The subsidiary of the Group on April 12, 2021 began the construction of a cereal silo with a capacity of 7.000 tonnes in the aforementioned plot, with the cost of the investment having been budgeted at € 2,8 million. The Group's subsidiary completed the above investment on time, in accordance with the terms of the contract and according to the applicable law and the completion of the audit form the Bulgarian State is expected. The Group's management estimates that there will be no additional obligations to the Bulgarian state in the future as a result of this case.

**Unaudited Tax Years**
For the fiscal years 2011 up to 2015 the Greek Public Limited companies (SA) whose Financial Statements were mandatorily audited by a Certified Auditor, were subject to tax audit by the same Auditor or audit firm who audited their annual Financial Statements and received "Tax Compliance Certification" according to par.5, art.82 of L.2238/1994 and art.65A of L.4174/2013. For the fiscal years 2016 and onwards the tax audit and the provision of the "Tax Compliance Certification" is optional. The Group has chosen to continue being tax audited by the Auditors, which is now optional for the Group's most significant subsidiaries. It is noted that according to the tax legislation on 31.12.2022, the fiscal years up to 2016 are considered to be written off.

The parent Company "LOULIS FOOD INGREDIENTS SA" and its subsidiary "KENFOOD SA" have been subjected to tax auditing from Certified Auditor and have received "Tax Compliance Certification" for the years until 31.12.2021.

For the fiscal year 2022 The parent Company "LOULIS FOOD INGREDIENTS SA" and its subsidiary "KENFOOD SA", have been subjected to tax auditing from an auditor in accordance with Law 4174/2013 article 65A as currently in effect. The audit for 2022 is in progress and the related tax certificate is expected to be provided after the publication of financial statements of 2022. If upon completion of the tax audit additional tax liabilities occur, we consider that they will not have significant impact on the Financial Statements.

Taking into account the above, the table in note 5.2 "Group's structure" shows the years for which the tax obligations of the Company and its subsidiaries have not become final.

## 9.11 Dividend per share

The BoD of the Company after taking into account the financial results of the year 2022, the financial position of the Company, the prospects as well as the conditions prevailing in the wider financial environment shall propose the non-distribution of dividends in the following Annual General Meeting of the Shareholders.

## 9.12 Approval of Financial Statements

The date of the approval of the Financial Statements by the Board of Directors is 26.04.2023.

## 9.13 Notes on Future Events

The Financial Statements, as well as the accompanying notes and disclosures, may contain particular assumptions and calculations concerning future events in relation to the operations, development and the financial performance of the Company and the Group.

The most significant events after December 31st,2022 are:

**Issuance of Bank Loan**

On April 10, 2023 the subsidiary "KENFOOD S.A." proceeded to the issuance of o loan of total amount of € 3,0 million of three years duration, in order to cover its working-capital needs. The loan has been granted by "Piraeus Bank" with the guarantee of the parent Company of the Group.

There are no other events that have occurred after December 31st, 2022 that shall have a material impact on the Group's and Company's Financial Statements.

Sourpi, April 26, 2023

| The Chairman of the Board of Directors | The CEO | The Chief Accountant |
|---|---|---|
| **Nikolaos K. Loulis** | **Nikolaos S. Fotopoulos** | **Georgios K. Karpouzas** |
| ID AH 778710/2009 | ID AN 553616/2018 | ID AO 100282/2022 |

LOULIS
Food Ingredients